



1185 Eglinton Avenue East, Suite 602, North York, Ontario, M3C 3C6
Telephone: (416) 426-7167 Fax: (416) 426-7364 Website: www.o5pba.ca

October 23, 2007

TO: ALL ZONE & DECENTRALIZED ASSOCIATION PRESIDENTS

SUBJECT: 2006/07 AUDITED FINANCIAL STATEMENTS

At the 2006 Convention we approved a balanced budget.

As you can see from the Audited Statements we ended up with a deficit of \$22,142.

While we had told you throughout the year that we were projecting about \$27,000 deficit and the final result is better than we thought, we still need to account for the \$22,000 difference from budget.

At last year's SAGM I advised you that I had omitted the GST from the membership calculation resulting in about a \$6,000 hit. We had also accepted a \$5,000 hit when we granted several Zones credit for 2 for 1 ghosts. So while a quarter of the drop was calculated another quarter was a calculation error on my part. Another \$10,000 was due to lower membership.

2006-07 budget for Membership revenue was \$119,000 while actual membership revenue was \$97,870, a drop of \$21,000. (Membership expenses were within \$368.00 of budget).

Net tournaments (Revenue minus Costs) were \$16,000 better than budget.

Net Meeting costs were \$2,000 less than budget.

Sponsorships were within \$1000 of budget (better).

Sundry costs were \$2,000 lower than budget.

Net Fundraisers were \$14,000 worse than budget.

These combine to drop our Gross margin \$14,000 below budget.

Other revenues were \$5,000 worse than budget.

Expenses were \$4,000 worse than budget (\$2,000 of which was a non-cash expense for depreciation of equipment).

The net impact on the Association is that our surplus dropped to \$26,895, \$16,322 of which is operating surplus. We do not wish to drop below this and that is why we are looking to fund the Association differently in the future.

I have to tell you that we have filed 7 years of financial reporting with Revenue Canada for information purposes only. This is now required annually for all Not For Profit Organizations.

At the SAGM our Auditor will answer any questions you may have regarding the accounting system and will be telling you about upcoming changes to Generally Accepted Accounting Principals that could have a direct impact on Local Associations.

I look forward to your questions and participation at our upcoming SAGM.

Mike Cregan
Treasurer
O5PBA