

NEIGHBOURHOOD BASKETBALL ASSOCIATION

FINANCIAL STATEMENTS

JULY 31, 2009



Goldenberg Hemanthal

Chartered Accountants
Professional Corporation

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AUDITORS' REPORT

To the Members of
Neighbourhood Basketball Association

We have audited the statement of financial position of Neighbourhood Basketball Association as at July 31, 2009 and the statements of changes in net assets, operations and cash flows for the period then ended. These financial statements are the responsibility of the Charity's board of directors. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Charity derives revenue from donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Charity and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenues over expenses, assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues and expenditures referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Charity as at July 31, 2009 and the results of its operations and the changes in its financial position for the period then ended in accordance with Canadian generally accepted accounting principles.

Brampton, Ontario
September 16, 2009

Goldenberg Hemanthal
Chartered Accountants
Professional Corporation

Authorized to practise public accounting by The Institute of Chartered Accountants of Ontario

NEIGHBOURHOOD BASKETBALL ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT JULY 31, 2009

ASSETS

	CAPITAL ASSETS	UNRESTRICTED	RESTRICTED	TOTAL
CURRENT				
Cash	-	-	42	42
Accounts receivable	-	-	680	680
Inter-fund receivable	-	1,502	-	1,502
Prepaid expenses	-	-	<u>2,942</u>	<u>2,942</u>
	-	1,502	3,664	5,166
CAPITAL ASSETS (note 3)	<u>13,819</u>	-	-	<u>13,819</u>
	<u>\$ 13,819</u>	<u>\$ 1,502</u>	<u>\$ 3,664</u>	<u>\$ 18,985</u>

LIABILITIES AND NET ASSETS

CURRENT				
Accounts payable	-	-	6,069	6,069
Deferred revenue	-	210	-	210
Inter-fund payable	-	-	<u>1,502</u>	<u>1,502</u>
	-	210	7,571	7,781
NET ASSETS	<u>13,819</u>	<u>1,292</u>	<u>(3,907)</u>	<u>11,204</u>
	<u>\$ 13,819</u>	<u>\$ 1,502</u>	<u>\$ 3,664</u>	<u>\$ 18,985</u>

APPROVED ON BEHALF OF THE BOARD

Director

Director

NEIGHBOURHOOD BASKETBALL ASSOCIATION

STATEMENT OF CHANGES IN NET ASSETS

FOR THE PERIOD ENDED JULY 31, 2009

	CAPITAL ASSETS	UNRESTRICTED	RESTRICTED	TOTAL
NET CAPITAL ASSETS ACQUIRED	15,355	-	(15,355)	-
EXCESS OF REVENUES OVER EXPENDITURES	(1,536)	1,292	11,448	11,204
BALANCE, end of period	\$ 13,819	\$ 1,292	\$ (3,907)	\$ 11,204

NEIGHBOURHOOD BASKETBALL ASSOCIATION

STATEMENT OF OPERATIONS

FOR THE PERIOD ENDED JULY 31, 2009

	CAPITAL ASSETS	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES				
Donations	-	1,410	-	1,410
Fundraising	-	2,490	-	2,490
Toronto Police Services Board grant	-	-	42,750	42,750
	-	3,900	42,750	46,650
EXPENDITURES				
Advertising and promotion	-	-	407	407
Amortization	1,536	-	-	1,536
Bank charges and interest	-	-	101	101
Fees and dues	-	-	309	309
Fundraising	-	2,608	-	2,608
Insurance	-	-	391	391
Office and general	-	-	1,470	1,470
Professional fees	-	-	1,500	1,500
Program supplies	-	-	4,306	4,306
Rent	-	-	3,331	3,331
Subcontractors	-	-	15,000	15,000
Telecommunications	-	-	1,486	1,486
Travel	-	-	3,001	3,001
	1,536	2,608	31,302	35,446
	\$ (1,536)	\$ 1,292	\$ 11,448	\$ 11,204
EXCESS OF REVENUES OVER EXPENDITURES				

NEIGHBOURHOOD BASKETBALL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED JULY 31, 2009

CASH FROM (FOR) OPERATING ACTIVITIES

Excess of revenues over expenditures	11,204
- amortization	<u>1,536</u>
	12,740
Change in non-cash working capital balances	
- accounts receivable	(680)
- prepaid expenses	(2,942)
- accounts payable	6,069
- deferred revenue	<u>210</u>
	<u>15,397</u>

CASH FLOWS FROM (FOR) INVESTING ACTIVITIES

Acquisition of capital assets	<u>(15,355)</u>
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INCREASE IN CASH 42

CASH, beginning of period -

CASH, end of period \$ 42

NEIGHBOURHOOD BASKETBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2009

1. PURPOSE OF THE ASSOCIATION

The Neighbourhood Basketball Association was incorporated on August 1, 2008 under The Canada Corporations Act as a registered charity under paragraph 149(1)(f) of the Income tax Act, and is not subject to income tax.

The Charity is a community-based, charitable organization established in response to critical community needs. The mission is to improve the life outcomes for at-risk, criminalized, Black youth by providing free or low-cost educational, recreational and social development opportunities.

2. SIGNIFICANT ACCOUNTING POLICIES

Capital Assets

Capital assets are recorded at cost. Amortization is accounted for on the declining balance basis at the following rates.

Program equipment	20%
Office equipment	20%

Revenue Recognition

The Charity follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Restricted Funds

The restricted fund reflects a grant from the Toronto Police Services Board. The main objective of the No Books, NO Basketball (Shoot the Right Shot) program is to provide high-risk students residing in the Kingston-Galloway community who are currently in grades 5-8 with structured, supervised and goal-orientated academic and athletic training. By reaching these students at an early age in their academic careers, it is the hope that the program will equip them with the tools to make positive life choices, avoid gang involvement/criminalization, achieve academic success and position themselves to have multiple career options.

NEIGHBOURHOOD BASKETBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

JULY 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES, cont'd

Restricted funds

The program strives to educate the student athlete on the basic fundamentals of basketball, nutrition, sportsmanship, education, fitness training, skill development, strength and conditioning. The program strives to develop the highest level of basketball skills attainable by the individual player and/or team by creating focused athletes who are aware of the mental, spiritual and physical aspects of fitness, life, education and the game of basketball.

Use of Estimates

These financial statements are prepared in accordance with Canadian generally accepted accounting principles, which require management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Financial Instruments

The Charity's financial instruments include cash, accounts receivable and accounts payable. It is management's opinion that the company is not exposed to significant interest, currency or credit risks.

The fair value of the cash, accounts receivable and accounts payable approximates their carrying value due to the short-term maturities of these items.

3. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Program equipment	14,775	1,478	13,297
Office equipment	580	58	522
	<u>\$ 15,355</u>	<u>\$ 1,536</u>	<u>\$ 13,819</u>

4. ECONOMIC DEPENDENCE

The Charity is dependent on the Toronto Police Services Board for the majority of its revenue in the 2009 reporting year.

5. DONATED SERVICES

Many individuals volunteer their time to the Charity. No value has been placed on the volunteers time in these financial statements.