

**NEIGHBOURHOOD BASKETBALL ASSOCIATION**

**FINANCIAL STATEMENTS**

**JULY 31, 2010**



# Goldenberg Hemanchal

Chartered Accountants  
Professional Corporation

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## AUDITOR'S REPORT

To the Members of  
Neighbourhood Basketball Association

We have audited the statement of financial position of Neighbourhood Basketball Association as at July 31, 2010 and the statements of changes in net assets, operations and cash flows for the year 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, 2010 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

*Goldenberg Hemanchal  
Chartered Accountants  
Professional Corporation*

Brampton, Ontario  
January 24, 2011

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

**NEIGHBOURHOOD BASKETBALL ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
AS AT JULY 31, 2010**

**ASSETS**

	2010		2009	
CAPITAL ASSETS	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
<b>CURRENT</b>				
Cash	963	-	963	42
Accounts receivable	181	-	181	680
Interfund receivable	3,907	-	3,907	1,502
Prepaid expenses	<u>2,032</u>	-	<u>2,032</u>	<u>2,942</u>
	7,083	-	7,083	5,166
	<u>11,056</u>	-	<u>11,056</u>	<u>13,819</u>
	\$ <u>11,056</u>	\$ -	\$ <u>18,139</u>	\$ <u>18,985</u>

**CAPITAL ASSETS (note 3)**

**LIABILITIES AND NET ASSETS**

<b>CURRENT</b>				
Accounts payable	11,694	-	11,694	6,069
Deferred revenue	-	-	-	210
Interfund payable	-	<u>3,907</u>	<u>3,907</u>	<u>1,502</u>
	11,694	3,907	15,601	7,781
	<u>11,056</u>	<u>( 3,907)</u>	<u>2,538</u>	<u>11,204</u>
	\$ <u>11,056</u>	\$ -	\$ <u>18,139</u>	\$ <u>18,985</u>

**NET ASSETS**

**APPROVED ON BEHALF OF THE BOARD**

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

**NEIGHBOURHOOD BASKETBALL ASSOCIATION  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JULY 31, 2010**

	2010			2009
CAPITAL ASSETS	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
<b>BALANCE, beginning of year</b>	13,819	( 3,907)	11,204	-
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	( 2,763)	-	( 8,666)	11,204
<b>BALANCE, end of year</b>	<u>\$ 11,056</u>	<u>\$ ( 3,907)</u>	<u>\$ 2,538</u>	<u>\$ 11,204</u>

**NEIGHBOURHOOD BASKETBALL ASSOCIATION  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JULY 31, 2010**

	2010		2009	
CAPITAL ASSETS	UNRESTRICTED	RESTRICTED	TOTAL	TOTAL
<b>REVENUES</b>				
Donations	233,270	-	233,270	1,410
Fundraising	1,290	-	1,290	2,490
Toronto Police Services Board Grant	-	-	-	42,750
	234,560	-	234,560	46,650
<b>EXPENDITURES</b>				
Advertising and promotion	2,752	-	2,752	407
Amortization	2,763	-	2,763	1,536
Bad debts	-	-	-	-
Bank charges and interest	222,000	-	222,000	101
Fees and dues	94	-	94	309
Fundraising	108	-	108	2,608
Insurance	971	-	971	391
Office and general	278	-	278	1,470
Professional fees	446	-	446	1,500
Program supplies	2,020	-	2,020	4,306
Rent	1,457	-	1,457	3,331
Subcontractors	5,247	-	5,247	15,000
Telecommunications	900	-	900	1,486
Travel	1,530	-	1,530	3,001
	2,763	-	2,763	35,446
	240,463	-	240,463	243,226
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>				
	\$( 2,763)	\$ -	\$( 8,666)	\$ 11,204

NEIGHBOURHOOD BASKETBALL ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JULY 31, 2010

	<u>2010</u>	<u>2009</u>
<b>CASH FROM (FOR) OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures	( 8,666)	11,204
- amortization	<u>2,763</u>	<u>1,536</u>
	( 5,903)	12,740
Change in non-cash working capital balances		
- accounts receivable	499	( 680)
- prepaid expenses	910	( 2,942)
- accounts payable	5,625	6,069
- deferred revenue	<u>( 210)</u>	<u>210</u>
	<u>921</u>	<u>15,397</u>
<b>CASH FLOWS FROM (FOR) INVESTING ACTIVITIES</b>		
Acquisition of capital assets	<u>-</u>	<u>( 15,355)</u>
<b>INCREASE (DECREASE) IN CASH</b>	921	42
<b>CASH, beginning of year</b>	<u>42</u>	<u>-</u>
<b>CASH, end of year</b>	<u>\$ 963</u>	<u>\$ 42</u>

**NEIGHBOURHOOD BASKETBALL ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JULY 31, 2010**

**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, 2010

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

	2010		2009	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Program equipment	14,775	4,137	10,638	13,297
Office equipment	<u>580</u>	<u>162</u>	<u>418</u>	<u>522</u>
	<u>\$ 15,355</u>	<u>\$ 4,299</u>	<u>\$ 11,056</u>	<u>\$ 13,819</u>

4. DONATED SERVICES

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



**NEIGHBOURHOOD BASKETBALL ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**JULY 31, 2010**

**5. CAPITAL MANAGEMENT**

The Charity's objectives when managing capital are to provide sufficient funding to carry out its functions, duties and powers to maintain financial strength. There are no external imposed requirements.