

NORTH CENTRAL COMMUNITY ASSOCIATION INC.
FINANCIAL STATEMENTS
MARCH 31, 2015

MARCIA HERBACK
Chartered Accountant
Professional Corporation

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Members of
North Central Community Association Inc.


Management has responsibility for preparing the accompanying financial statements and ensuring that all information on any related reports is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded, and proper records maintained.

Ultimate responsibility for financial statements to members lies with the Board of Directors.

Marcia Herback Chartered Accountant Professional Corporation, an independent firm, has been appointed by the members to audit the financial statements and report to them; their report follows. The independent auditor has full and free access to the Board and management to discuss their audit findings.


President


Treasurer

June 15, 2015
Regina, Saskatchewan

MARCIA HERBACK
*Chartered Accountant
Professional Corporation*

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INDEPENDENT AUDITOR'S REPORT

To the Members of
North Central Community Association Inc.

I have audited the accompanying financial statements of North Central Community Association Inc., which comprise the statement of financial position as at March 31, 2015 and the statements of operation and cumulative surplus and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit opinion.

Basis for qualified opinion

In common with many non-profit organizations, North Central Community Association Inc. derives part of its revenue from the general public, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these transactions was limited to accounting for the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

Qualified opinion

In my opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of North Central Community Association Inc. as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan
June 15, 2015





Marcia Herback
CPA, CA

NORTH CENTRAL COMMUNITY ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2015
(with comparative figures for 2014)

	2015	2014
ASSETS		
Current assets		
Cash	\$ 134,815	\$ 157,803
Accounts receivable	13,065	31,055
GST receivable	1,535	10,146
Prepaid expenses	<u>2,132</u>	<u>3,850</u>
	151,547	202,854
Capital assets (Note 3)	<u>70,447</u>	<u>98,513</u>
	<u>\$ 221,994</u>	<u>\$ 301,367</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 19,699	\$ 26,263
Government remittances payable	5,983	7,993
Deferred revenue (Note 5)	<u>119,541</u>	<u>196,412</u>
	145,223	230,668
SURPLUS		
Cumulative Surplus	<u>76,771</u>	<u>70,699</u>
	<u>\$ 221,994</u>	<u>\$ 301,367</u>

See accompanying notes

Approved on Behalf of the Board

 Director
 Director

MARCIA HERBACK
Chartered Accountant
Professional Corporation

**NORTH CENTRAL COMMUNITY ASSOCIATION INC.
STATEMENT OF OPERATIONS AND CUMULATIVE SURPLUS
FOR THE YEAR ENDED MARCH 31, 2015
(with comparative figures for 2014)**

	2015	2014
REVENUE		
Program Funding		
Government of Canada	\$ 19,441	\$ 127,074
Government of Saskatchewan	364,833	389,614
Other Organizations	-	5,447
Grants		
City of Regina	81,978	83,938
Other Organizations	13,271	11,611
Donations and sponsorships	6,061	37,081
Self Help	<u>188,943</u>	<u>113,232</u>
	<u>674,527</u>	<u>767,997</u>
Expenses		
Salaries and benefits	442,087	466,535
Materials supplies and services	89,995	142,210
General and administration	38,742	72,970
Training & Development	2,334	10,226
Travel and vehicle	15,113	25,935
Rent and building expenses	32,546	23,670
Telecommunications	9,793	14,124
Amortization	<u>37,845</u>	<u>38,586</u>
	<u>668,455</u>	<u>794,256</u>
Surplus (deficit) for the year	6,072	(26,259)
Cumulative surplus, beginning of year	<u>70,699</u>	<u>96,958</u>
Cumulative surplus, end of year	<u>\$ 76,771</u>	<u>\$ 70,699</u>

See accompanying notes

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NORTH CENTRAL COMMUNITY ASSOCIATION INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2015
(with comparative figures for 2014)

	2015	2014
Operating activities		
Surplus for the year	\$ 6,072	\$ (26,259)
Items not involving an outlay (receipt) of cash		
Amortization	<u>37,845</u>	<u>38,586</u>
	43,917	12,327
Net change in non-cash operating working capital balances		
Accounts receivable	17,990	322,485
GST receivable	8,611	(785)
Prepaid expense	1,718	32,135
Line of credit	-	(150,000)
Accounts payable and accrued liabilities	(6,564)	(26,433)
Government remittances payable	(2,010)	(5,169)
Deferred revenue	<u>(76,871)</u>	<u>(29,851)</u>
Cash provided by (used in) operating activities	<u>(13,209)</u>	<u>154,709</u>
Investing activities		
Additions to property and equipment	<u>(9,779)</u>	<u>(71,959)</u>
Cash used in investing activities	<u>(9,779)</u>	<u>(71,959)</u>
Increase (decrease) in cash	(22,988)	82,750
Cash position, beginning of year	<u>157,803</u>	<u>75,053</u>
Cash position, end of year	<u>\$ 134,815</u>	<u>\$ 157,803</u>

See accompanying notes

NORTH CENTRAL COMMUNITY ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2015

1. Status and nature of the Organization

The purpose of North Central Community Association Inc. is to promote neighbourhood programs for the residents of the community area.

The Association is incorporated under the Non-Profit Corporations Act of Saskatchewan, is a registered charity effective January 29, 1994 and is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

North Central Community Association Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for computer equipment and office furniture and equipment is four years, equipment, tools and vehicles is five years. Full amortization is recorded in the year of purchase.

Financial instruments

The North Central Community Association Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets subsequently measured at amortized cost include cash, investments and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable.

Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

3. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2015 Net Book Value</u>	<u>2014 Net Book Value</u>
Computer equipment	\$ 67,127	65,481	\$ 1,646	\$ 9,619
Equipment and tools	56,068	35,712	20,356	30,091
Electronic Video Signs	53,817	21,527	32,290	43,054
Office furniture and equipment	57,490	48,330	9,160	1,758
Vehicle	40,478	33,483	6,995	13,991
	<u>\$ 274,980</u>	<u>204,533</u>	<u>\$ 70,447</u>	<u>\$ 98,513</u>

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NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2015

4. Line of credit

North Central Community Association Inc. utilizes a line of credit through the Conexus Credit Union with an authorized limit of \$150,000. At March 31, 2015 the credit line was not utilized (2014- \$0). The credit line is repayable on demand and bears interest at the rate of prime plus 2%. The quickline is secured by a CU line agreement, a general security agreement, a certified copy of resolution to borrow and a certificate of incumbency.

5. Deferred revenue

Funding received relating to specific projects has been deferred and will be recognized as revenue in the year the related project or event occurs.

6. Lease commitment

The following lease commitment exists at March 31, 2015:

- A one year lease of 1459 Retallack Street, Regina, Saskatchewan from HYW Investments Ltd. commencing August 1, 2014 requiring a montly payment of \$2,100.

7. Financial instruments

North Central Community Association Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the North Central Community Association Inc.'s exposure and concentrations at March 31, 2015:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization is exposed to credit risk with respect to cash and accounts receivable. The Organization manages its credit risk by placing cash and investments with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2014.

Liquidity risk

Liquidity risk is the risk that the Organization may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Organization is exposed to liquidity risk with respect to its accounts payable but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2014.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk with respect to its cash its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue. There has been no change from interest risk exposure from 2014.

8. Economic dependence

North Central Community Association Inc. receives significant revenue in grants from The City of Regina. As a result, the Association is dependent upon the continuance of these grants to maintain operations at their current level.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.
