

NORTH CENTRAL COMMUNITY ASSOCIATION INC.
FINANCIAL STATEMENTS
MARCH 31, 2016

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

VICE - PRESIDENT

June 7, 2016
Regina, Saskatchewan

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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, 2016 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, 2016 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 7, 2016


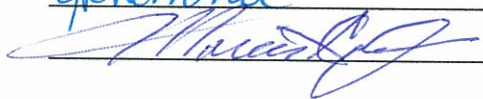

Marcia Herback
CPA, CA

NORTH CENTRAL COMMUNITY ASSOCIATION INC.
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016
(with comparative figures for 2015)

	2016	2015
ASSETS		
Current assets		
Cash	\$ 273,960	\$ 134,815
Accounts receivable	38,642	13,065
GST receivable	1,847	1,535
Prepaid expenses	<u>6,896</u>	<u>2,132</u>
	321,345	151,547
Capital assets (Note 3)	<u>39,564</u>	<u>70,447</u>
	<u>\$ 360,909</u>	<u>\$ 221,994</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 39,553	\$ 19,699
Government remittances payable	7,496	5,983
Deferred revenue (Note 4)	<u>246,679</u>	<u>119,541</u>
	293,728	145,223
SURPLUS		
Cumulative Surplus	<u>67,181</u>	<u>76,771</u>
	<u>\$ 360,909</u>	<u>\$ 221,994</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, 2016
(with comparative figures for 2015)

	2016	2015
REVENUE		
Program Funding		
Government of Canada	\$ 20,374	\$ 19,441
Government of Saskatchewan	255,058	364,833
Indian and Northern Affairs UPP (Urban Partnership Program) (Schedule 1)	82,727	-
Grants		
City of Regina	74,449	81,978
Other Organizations	55,448	13,271
Donations and sponsorships	5,018	6,061
Self Help	<u>115,744</u>	<u>188,943</u>
	<u>608,818</u>	<u>674,527</u>
Expenses		
Salaries and benefits	392,409	442,087
Materials supplies and services	87,605	89,995
General and administration	39,499	38,742
Training & Development	6,415	2,334
Travel and vehicle	12,575	15,113
Rent and building expenses	40,184	32,546
Telecommunications	7,831	9,793
Amortization	<u>31,890</u>	<u>37,845</u>
	<u>618,408</u>	<u>668,455</u>
Surplus (deficit) for the year	(9,590)	6,072
Cumulative surplus, beginning of year	<u>76,771</u>	<u>70,699</u>
Cumulative surplus, end of year	<u>\$ 67,181</u>	<u>\$ 76,771</u>

See accompanying notes

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NORTH CENTRAL COMMUNITY ASSOCIATION INC.
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2016
 (with comparative figures for 2015)

	2016	2015
Operating activities		
Surplus for the year	\$ (9,590)	\$ 6,072
Items not involving an outlay (receipt) of cash		
Amortization	<u>31,890</u>	<u>37,845</u>
	22,300	43,917
Net change in non-cash operating working capital balances		
Accounts receivable	(25,577)	17,990
GST receivable	(312)	8,611
Prepaid expense	(4,764)	1,718
Accounts payable and accrued liabilities	19,854	(6,564)
Government remittances payable	1,513	(2,010)
Deferred revenue	<u>127,138</u>	<u>(76,871)</u>
Cash provided by (used in) operating activities	<u>140,152</u>	<u>(13,209)</u>
Investing activities		
Additions to property and equipment	<u>(1,007)</u>	<u>(9,779)</u>
Cash used in investing activities	<u>(1,007)</u>	<u>(9,779)</u>
Increase (decrease) in cash	139,145	(22,988)
Cash position, beginning of year	<u>134,815</u>	<u>157,803</u>
Cash position, end of year	<u>\$ 273,960</u>	<u>\$ 134,815</u>

See accompanying notes

**NORTH CENTRAL COMMUNITY ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016**

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>2016 Net Book Value</u>	<u>2015 Net Book Value</u>
Computer equipment	\$ 68,134	67,463	\$ 671	\$ 1,645
Equipment and tools	56,068	44,569	11,499	20,356
Electronic Video Signs	53,817	32,290	21,527	32,290
Office furniture and equipment	57,490	51,623	5,867	9,160
Vehicle	17,425	17,425	-	6,996
	<u>\$ 252,934</u>	<u>213,370</u>	<u>\$ 39,564</u>	<u>\$ 70,447</u>

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NORTH CENTRAL COMMUNITY ASSOCIATION INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2016

4. 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.

Deferred contributions related to tangible capital assets represent the unamortized portion of contributed tangible capital assets and restricted contributions that were used to purchase the Association's capital assets. Recognition of these amounts as revenue is deferred to periods when the related tangible capital assets are amortized.

5. 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, 2016:

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 2015.

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 2015.

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 2015.

6. 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.

7. Comparative figures

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

NORTH CENTRAL COMMUNITY ASSOCIATION INC.
SCHEDULES TO THE FINANCIAL STATEMENTS
NAFC-UPP (Urban Partnership Program)
FOR THE YEAR ENDED MARCH 31, 2016

	2016
REVENUE	Schedule 1
Program Funding	
Government of Canada	
NAFC-UPP (Urban Partnership Program)	\$ <u>82,727</u>
EXPENDITURES	
Employee Salary & Benefits	65,320
Facilities	12,496
Materials & Supplies	1,312
Administration	<u>3,600</u>
	<u>82,727</u>
Surplus (deficit) for the year	<u>\$ -</u>

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