

New North/SANC Services Inc.
Financial Statements
March 31, 2017

New North/SANC Services Inc.

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For the year ended March 31, 2017

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Independent Auditors' Report

To the Board of Directors of New North/SANC Services Inc.:

We have audited the accompanying financial statements of New North/SANC Services Inc., which comprise the statement of financial position as at March 31, 2017, and the statements of operations, changes in net assets, cash flows and the related schedules 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of New North/SANC Services Inc. as at March 31, 2017 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Prince Albert, Saskatchewan

June 21, 2017

MNP LLP

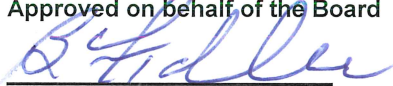
Chartered Professional Accountants

New North/SANC Services Inc.
Statement of Financial Position

As at March 31, 2017

	<i>2017</i>	<i>2016</i>
Assets		
Current		
Cash	305,077	260,160
Accounts receivable (Note 3)	19,358	49,097
Prepaid expenses and deposits	2,924	19,688
	327,359	328,945
Capital assets (Note 4)	9,089	9,820
	336,448	338,765
Liabilities		
Current		
Accounts payable and accruals (Note 5)	25,185	29,916
Deferred contributions (Note 6)	111,937	115,964
Unearned registration fee revenue	2,435	2,300
	139,557	148,180
Net Assets		
Invested in capital assets	9,089	9,820
Unrestricted	187,802	180,765
	196,891	190,585
	336,448	338,765

Approved on behalf of the Board


Director


Director

The accompanying notes are an integral part of these financial statements

New North/SANC Services Inc.
Statement of Operations
For the year ended March 31, 2017

	2017 Budget (Note 12)	2017	2016
Revenue			
Provincial core funding (Note 7)	400,000	348,600	320,000
Program funding and registration fees	-	198,898	160,294
Program administration fees (Note 8)	20,000	19,014	5,588
Other revenue	-	4,000	1,415
	420,000	570,512	487,297
Expenses			
Salaries and benefits	235,000	236,639	237,427
Conferences	-	62,891	38,085
Travel	65,000	58,889	60,427
Professional fees	13,000	32,476	18,524
Member per diem	35,000	27,771	16,682
Financial assistance services	-	26,583	26,740
Community policing honorariums	-	22,631	14,660
Administrative (Note 8)	-	19,014	5,588
Office supplies	10,500	18,098	4,078
Rent (Note 11)	13,000	12,204	12,204
Waterworks workshops	-	8,945	588
Telephone	5,000	6,148	5,842
Advertising	4,000	5,190	5,655
Vehicle	6,500	4,410	9,644
Annual general meeting expense	6,000	4,176	3,144
Amortization	-	3,278	3,609
Scholarships	-	3,000	3,000
Consulting	-	2,760	57
Office equipment lease (Note 11)	-	2,722	2,722
Insurance	1,500	2,690	2,523
Bank charges	1,000	2,259	1,341
Memberships and subscriptions	-	1,431	3,139
Professional development	4,000	-	390
Supplies	-	-	132
Bad debt recovery	-	-	(387)
	399,500	564,205	475,814
Excess of revenue over expenses	20,500	6,307	11,483

The accompanying notes are an integral part of these financial statements

New North/SANC Services Inc.
Statement of Changes in Net Assets

For the year ended March 31, 2017

	<i>Invested in capital assets</i>	<i>Unrestricted</i>	<i>2017</i>	<i>2016</i>
Net assets, beginning of year	9,820	180,765	190,585	179,102
Excess (deficiency) of revenue over expenses	(3,278)	9,584	6,307	11,483
Transfer in capital assets	2,547	(2,547)	-	-
Net assets, end of year	9,089	187,802	196,892	190,585

The accompanying notes are an integral part of these financial statements

New North/SANC Services Inc.
Statement of Cash Flows
For the year ended March 31, 2017

	2017	2016
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	6,307	11,483
Amortization	3,278	3,609
	9,585	15,092
Changes in working capital accounts		
Accounts receivable	29,739	(38,275)
Prepaid expenses and deposits	16,763	(12,916)
Accounts payable and accruals	(4,731)	8,073
Deferred contributions	(4,027)	66,268
Unearned registration fees	135	(479)
	47,464	37,763
Investing		
Purchase of capital assets	(2,547)	(2,688)
Increase in cash resources	44,917	35,075
Cash resources, beginning of year	260,160	225,085
Cash resources, end of year	305,077	260,160

The accompanying notes are an integral part of these financial statements

New North/SANC Services Inc.

Notes to the Financial Statements

For the year ended March 31, 2017

1. Incorporation and nature of the organization

New North/SANC Services Inc. ("the Organization") is incorporated under the Non-Profit Corporations Act of Saskatchewan, 1995 and as such is exempt from income taxes. New North SANC Services Inc. is a regional organization operating programs to promote the interests of the thirty five municipal communities in the Northern Administrative District in Saskatchewan.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

In the year of acquisition, amortization is taken at one-half of the following rates.

	Method	Rate
Automotive	declining balance	30 %
Computer equipment	declining balance	30 %
Office equipment	declining balance	20 %

Revenue recognition

The Organization 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

The Organization, member communities, government-run organizations, and other organization run programs contribute items such as office equipment, printing materials and cover travel expenses to assist the organization in carrying out its obligations associated with the Programs. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Revenue from fees and conferences

The Organization follows the deferral method of accounting for fees and conferences. Revenue collected for registration or fees are recognized as revenue in the year which the conference occurs and related expenses are incurred.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year.

2. Significant accounting policies *(Continued from previous page)*

The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment.

Financial asset impairment:

The Organization assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Measurement uncertainty

The preparation of 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 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the established useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Accounts receivable

	2017	2016
Accounts receivable	16,500	45,096
GST receivable	2,858	4,801
	19,358	49,897
Allowance for doubtful accounts	-	(800)
	19,358	49,097

4. Capital assets

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Automotive	33,227	28,482	4,745	6,778
Computer equipment	10,764	6,518	4,246	2,919
Office equipment	2,714	2,616	98	123
	46,705	37,616	9,089	9,820

New North/SANC Services Inc.
Notes to the Financial Statements
For the year ended March 31, 2017

5. Accounts payable and accruals

	2017	2016
Payroll remittance	13,315	6,657
Accounts payable and accruals	8,543	11,577
Vacation payable	3,327	11,682
	25,185	29,916

6. Deferred contributions

Contributions are received from contributors who have restricted their use for operating purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	Balance, beginning of year	Revenue received	Funding repaid	Recognized revenue	Balance, end of year
<i>Justice Symposium (Schedule 1)</i>	38,314	57,250	-	55,481	40,083
<i>Waterworks Workshop (Schedule 2)</i>	13,489	7,150	-	10,797	9,842
<i>Community Policing (Schedule 4)</i>	39,192	98,901	39,340	64,210	34,543
<i>Administration (Schedule 6)</i>	2,891	2,500	-	-	5,391
<i>Housing Summit (Schedule 7)</i>	6,222	-	-	-	6,222
<i>Health Conference (Schedule 9)</i>	11,096	-	-	-	11,096
<i>Youth Coordinator</i>	4,760	-	-	-	4,760
	115,964	165,801	39,340	130,488	111,937

7. Core funding

The Province of Saskatchewan entered into an agreement with New North SANC Services Inc. on June 11, 1997 to provide core funding. This agreement was extended by way of Minister's Order to include funding for the current fiscal year.

8. Inter-departmental revenues and expenses

In the current year, operating funds include revenue program administration fees totaling \$19,014 (2016 - \$5,588). These amounts have been expensed in the related programs, which include: Justice Symposium, Waterworks, Community Policing and Embracing Life.

9. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the collection of accounts and notes receivable, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.

10. Pension plan contributions

The Organization has a Canadian defined contribution plan under which both the Organization and employee's contribute 5% of an employee's gross salary. Organization contributions and corresponding expense totaled \$23,747 (2016 - \$10,150).

11. Commitments

i) The Organization occupies rented premises subject to minimum monthly rent of \$1,017. Rent is paid on a month-to-month basis, as there is no current lease agreement.

ii) In 2013, the Organization committed to leasing a photocopier for \$2,722 per year. This agreement will be completed in October 2017.

12. Budget information

During the year, management prepared its operating budget based on planned expenses relating to the current year funding as identified in various agreements and other current year sources of revenue. The budget balances have been attached for information purposes only and are unaudited.

13. Comparative figures

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

New North/SANC Services Inc.
Schedule 1 - Schedule of Justice Symposium Revenues and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Program funding and registration fees	55,481	904
Expenses		
Conferences	20,006	-
Member per diem	12,974	2,568
Administrative	8,588	1,986
Office supplies (recovery)	5,757	(5,500)
Advertising	4,393	-
Consulting	2,760	-
Travel	1,003	-
Bad debts	-	1,850
	55,481	904
Excess of revenue over expenses	-	-

New North/SANC Services Inc.
Schedule 2 - Schedule of Waterworks Revenues and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Program funding and registration fees	10,796	7,807
Expenses		
Waterworks workshops	8,945	588
Administrative	1,073	1,403
Travel	578	1,612
Conferences	200	3,809
Advertising	-	338
Consulting	-	57
	10,796	7,807
Excess of revenue over expenses	-	-

New North/SANC Services Inc.
Schedule 3 - Schedule of Embracing Life Revenues and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Program funding and registration fees	3,431	-
Expenses		
Office supplies	2,439	-
Travel	380	-
Administrative	312	-
Conferences	300	-
Bad debts	-	683
	3,431	683
Deficiency of revenue over expenses	-	(683)

New North/SANC Services Inc.
Schedule 4 - Schedule of Community Policing Revenues and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Program funding and registration fees	64,210	17,007
Expenses		
Conferences	23,967	-
Community policing honorariums	22,631	14,660
Administrative	9,042	2,199
Travel	8,570	148
	64,210	17,007
Deficiency of revenue over expenses	-	-

New North/SANC Services Inc.
Schedule 5 - Schedule of Operating Fund Revenues and Expenses

For the year ended March 31, 2017

	2017	2016
Revenue		
Provincial core funding	348,600	320,000
Program funding and registration fees	28,600	41,050
Program administration fees	19,014	5,588
Other revenue	4,000	1,415
	400,214	368,053
Expenses		
Salaries and benefits	236,639	237,427
Travel	45,336	36,492
Professional fees	32,476	18,524
Conferences	18,417	25,729
Member per diem	14,797	14,114
Rent	12,204	12,204
Office supplies	9,901	9,578
Telephone	6,148	5,842
Vehicle	4,410	9,644
Annual general meeting expense	4,176	3,144
Amortization	3,278	3,609
Special projects	3,000	3,000
Office equipment lease	2,722	2,722
Insurance	2,690	2,523
Bank charges	2,259	1,341
Memberships and subscriptions	1,431	3,139
Advertising	797	377
Supplies	-	132
Professional development	-	390
Bad debt recovery	-	(2,919)
	400,681	387,012
Deficiency of revenue over expenses	(467)	(18,959)

New North/SANC Services Inc.
Schedule 6 - Schedule of Finance Administration Revenues and Expenses
For the year ended March 31, 2017

	2017	2016
Revenue		
Program funding and registration fees	36,381	61,429
Expenses		
Contracted services	26,583	26,740
Travel	3,023	3,567
	29,606	30,307
Excess of revenue over expenses	6,775	31,122

New North/SANC Services Inc.
Schedule 7 - Schedule of Housing Summit Revenues and Expenses
For the year ended March 31, 2017

	2017	2016
Program funding	-	729
Expenses		
Travel	-	729
	-	729
Excess of revenue over expenses	-	-

New North/SANC Services Inc.
Schedule 8 - Schedule of Administrators Convention Revenues and Expenses
For the year ended March 31, 2017

	2017	2016
Program funding	-	5,964
Expenses		
Travel	-	5,195
Conferences	-	724
Advertising	-	45
	-	5,964
Excess of revenue over expenses	-	-

New North/SANC Services Inc.

Schedule 9 - Schedule of Northern Health Conference Revenues and Expenses

For the year ended March 31, 2017

	2017	2016
Program funding	-	25,404
Expenses		
Travel	-	12,684
Conferences	-	7,825
Advertising	-	4,895
	-	25,404
Excess of revenue over expenses	-	-

New North SANC Services Inc.
Schedule 10 – Schedule of Board Remuneration
For the year ended March 31, 2017

Name	Remuneration
Alexander Sayn	2,900
Gordon Stomp	2,000
Duane Favel	1,800
Valerie Deschambeault	1,800
Bruce Fidler	1,700
Isadore Desjarlais	1,400
Robert St Pierre	1,000
Michael Natomagan	400
Keith Laprise	400
Total	13,400