

File Hills Board of Police Commissioners Inc.
Financial Statements
March 31, 2016

File Hills Board of Police Commissioners Inc.

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For the year ended March 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Members of File Hills Board of Police Commissioners Inc.

We have audited the accompanying financial statements of File Hills Board of Police Commissioners Inc., which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows 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 auditors consider internal control relevant to the organization'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 organization'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 File Hills Board of Police Commissioners Inc. as at March 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Regina, Saskatchewan
July 18, 2016

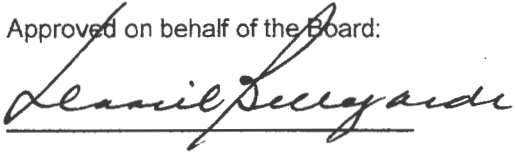


Chalupiak & Associates

File Hills Board of Police Commissioners Inc.
Statement of Financial Position
March 31, 2016

	2016	2015
Assets		
Current assets		
Cash - note 4	\$ 464,860	\$ 427,389
Accounts receivable - note 5	273,395	44,093
Prepaid expenses - note 6	17,708	16,900
	755,963	488,382
Fixed assets - note 7	155,506	234,645
	\$ 911,469	\$ 723,027
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities - note 8	\$ 135,814	\$ 258,235
Deferred capital expenditures - note 9	170,000	-
	305,814	258,235
Net assets - note 10	605,655	464,792
	\$ 911,469	\$ 723,027

Approved on behalf of the Board:



File Hills Board of Police Commissioners Inc.

Statement of Operations

For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenues			
Public Safety Canada	\$ 1,064,979	\$ 1,064,983	\$ 1,054,635
Province of Saskatchewan	983,066	983,061	973,512
Other revenue	-	11,687	3,094
Gain on disposal of assets	-	11,500	-
Insurance proceeds	-	31,200	-
Deferred revenue - current year	-	(170,000)	-
	2,048,045	1,932,431	2,031,241
Expenditures			
Accounting	-	828	4,811
Advertising and recruitment	3,000	1,789	6,847
Bad debts	-	773	2,202
Bank charges and interest	6,000	5,737	14,760
Board retainer	5,000	4,750	-
Consultants	3,000	16,610	19,803
Contingency	5,000	-	-
Cultural and community support services	22,500	19,164	18,492
Equipment and supplies	11,000	3,915	6,545
Guards and matrons	40,000	36,266	19,785
Insurance	16,750	14,623	15,907
Investigation costs	5,000	3,355	3,856
Janitorial	9,000	6,780	8,600
Legal fees and user fees	2,000	2,296	1,265
Meetings	28,250	27,307	41,482
Office equipment	-	2,732	-
Office supplies	8,500	26,553	16,546
PROS user fees	16,789	18,146	15,984
Police equipment	52,500	9,873	16,012
Professional fees	54,793	50,957	65,826
RCMP policing assistance	250,000	242,908	404,156
Rent	24,000	18,691	24,000
Repairs and maintenance	-	4,111	-
Retention incentive	7,000	6,750	-
Round Dance expenses	-	5,836	3,223
Severance payout	-	-	45,000
Subscriptions and memberships	3,400	5,470	2,674
Telephone	19,000	21,125	16,722
Travel	47,550	43,471	58,547
Uniforms	14,000	13,788	25,333
Utilities	8,000	4,369	6,296
Vehicle - operating expenses	92,104	80,551	72,684
Vehicle - purchase	45,000	65,128	114,226
Vehicle - repairs and maintenance	44,250	58,882	36,514
Wages and benefits	1,202,659	1,002,786	973,690
Workshops and training	2,000	7,356	9,664
	2,048,045	1,833,676	2,071,452
Increase (decrease) in net assets	\$ -	\$ 98,755	\$ (40,211)

File Hills Board of Police Commissioners Inc.

Statement of Changes in Net Assets

For the year ended March 31, 2016

	Surplus from operations	Invested in capital assets	Future capital expenditures	Total 2016	Total 2015
Balance, beginning of year	\$ (25,053)	\$ 234,645	\$ 255,200	\$ 464,792	\$ 523,020
Surplus (deficit) from operations	98,755	-	-	98,755	(40,211)
Contributed equity	-	-	121,247	121,247	-
Purchase of assets	-	69,916	-	69,916	129,794
Disposal of assets	-	(19,709)	-	(19,709)	-
Amortization of assets	-	(129,346)	-	(129,346)	(147,812)
Balance, end of year	\$ 73,702	\$ 155,506	\$ 376,447	\$ 605,655	\$ 464,792

File Hills Board of Police Commissioners Inc.
Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash flows from (used in) operating activities		
Excess (deficiency) of revenues over expenditures	\$ 98,755	\$ (40,211)
Items not involving cash		
Amortization	129,346	147,812
Gain on sale of capital assets	(11,500)	-
Changes in non-cash operating items		
Accounts receivable	(229,302)	186,101
Prepaid expenses	(808)	5,803
Accounts payable and accrued liabilities	(122,420)	188,063
Deferred capital expenditures	170,000	-
Future capital expenditures	121,247	-
Investment in capital assets	(79,139)	(18,017)
	76,179	469,551
Cash flows from (used in) investing activities		
Purchase of fixed assets	(69,917)	(129,795)
Proceeds on disposal of fixed assets	31,209	-
	(38,708)	(129,795)
Increase in cash	37,471	339,756
Cash, beginning of year	427,389	87,633
Cash, end of year	\$ 464,860	\$ 427,389
Cash consists of:		
Petty cash	\$ 200	\$ 200
CIBC	-	428,376
RBC	464,660	3,813
RBC - line of credit	-	(5,000)
	\$ 464,860	\$ 427,389

File Hills Board of Police Commissioners Inc.

Notes to Financial Statements

For the year ended March 31, 2016

1. General

File Hills Board of Police Commissioners Inc. is incorporated under the Non-Profit Corporations Act of Saskatchewan. It was incorporated for the purpose of providing policing services to its members. Its members are Okanese, Little Black Bear, Carry the Kettle, Peepeekisis and Star Blanket First Nations.

2. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on behalf of the organization and authorized for issue on July 15, 2016.

3. Significant accounting policies

The organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Fixed assets

The purchase of capital assets are recorded as expenditures in the year of purchase. For capital equity purposes capital assets are amortized annually with a corresponding reduction in equity in capital assets reported on the statement of financial position. Assets are amortized over their expected useful life using the straight-line method. Leasehold improvements, police equipment and office equipment are amortized over 5 years, and police vehicles are amortized over 3 years.

The organization acquired certain assets for no consideration from File Hills Agency Inc. that had been used and are continuing to be used in the providing of police services. Since these assets were acquired for no consideration, they have not been reported on the statement of financial position.

(b) Revenue recognition

Revenue is recorded in the period specified in the funding agreements entered into with government agencies and other organizations. Funds received in advance of making the related expenses are reflected as deferred revenue in the year of receipt and classified as such on the financial statements.

(c) Expense recognition

Expenses are accounted for in the period the goods or services are acquired and a liability is incurred or transfers are due.

(d) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

File Hills Board of Police Commissioners Inc.
Notes to Financial Statements
For the year ended March 31, 2016

3. Significant accounting policies, continued

(e) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

4. Cash

The organization's credit facility includes a revolving line of credit with the Royal Bank of Canada in the amount of \$100,000 bearing interest at prime plus 1.0%, interest payable monthly. As of March 31, 2016 the balance drawn on the line of credit was \$0 (2015 - \$5,000).

5. Accounts receivable

	2016	2015
Public Safety Canada	\$ 266,246	\$ 26,108
Province of Saskatchewan	2,857	17,200
Government of Canada - GST	1,271	535
Other	26,272	23,251
Less: allowance for doubtful accounts	(23,251)	(23,001)
	\$ 273,395	\$ 44,093

6. Prepaid expenses

	2016	2015
Insurance	\$ 17,558	\$ 16,750
Keys - fuel cardlock	150	150
	\$ 17,708	\$ 16,900

File Hills Board of Police Commissioners Inc.

Notes to Financial Statements

For the year ended March 31, 2016

7. Fixed assets

	2016		
	Cost	Accumulated amortization	Net
Vehicles	\$ 618,118	\$ 484,021	\$ 134,097
Office equipment	40,087	31,048	9,039
Police equipment	292,439	280,069	12,370
Leasehold improvements	47,741	47,741	-
	<u>\$ 998,385</u>	<u>\$ 842,879</u>	<u>\$ 155,506</u>
	2015		
	Cost	Accumulated amortization	Net
Vehicles	\$ 677,810	\$ 467,100	\$ 210,710
Office equipment	35,298	28,451	6,847
Police equipment	292,439	275,351	17,088
Leasehold improvements	47,741	47,741	-
	<u>\$ 1,053,288</u>	<u>\$ 818,643</u>	<u>\$ 234,645</u>

8. Accounts payable and accrued liabilities

	2016	2015
General suppliers	\$ 129,204	\$ 136,988
Group insurance and pension	6,610	-
Public Safety Canada - RCMP services	-	121,247
	<u>\$ 135,814</u>	<u>\$ 258,235</u>

9. Deferred capital expenditures

	2016	2015
Policing - vehicle purchase and fitup	\$ 85,000	\$ -
Special Constables - vehicle purchase and fitup	85,000	-
	<u>\$ 170,000</u>	<u>\$ -</u>

One vehicle was purchased after year end before the issuance of these financial statements.

File Hills Board of Police Commissioners Inc.
Notes to Financial Statements
For the year ended March 31, 2016

10. Net assets

	2016	2015
Restricted assets - future capital expenditures	\$ 376,447	\$ 255,200
Invested in fixed assets	155,506	234,645
Unrestricted net assets	73,702	(25,053)
	<u>\$ 605,655</u>	<u>\$ 464,792</u>

The board of directors has allocated \$376,447 of the cumulative net assets to be used for future capital expenditures and has restricted the use of these funds for this purpose only.

11. Economic dependence

The organization receives a major portion of its revenue pursuant to funding agreements with Public Safety Canada and the Province of Saskatchewan.

12. Related party transactions

The organization has no related party transactions or balances.

13. Contingent liabilities

File Hills Board of Police Commissioners Inc. is the defendant in a lawsuit commenced by a former employee for wrongful dismissal of which the outcome and potential liability is unknown.

Schedule 1
File Hills Board of Police Commissioners Inc.
Schedule of Police Services
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue:			
Public Safety Canada	\$ 837,565	\$ 837,962	\$ 829,093
Province of Saskatchewan	774,538	773,504	766,718
Gain on disposal of assets	-	11,500	-
Insurance proceeds	-	31,200	-
Deferred revenue - current year	-	(85,000)	-
	1,612,103	1,569,166	1,595,811
Expenditures			
Accounting	-	826	4,811
Advertising and recruitment	1,000	1,789	3,603
Bad debts	-	773	2,202
Bank charges and interest	4,000	4,988	8,316
Consultants	-	15,325	17,303
Contingency	5,000	-	-
Cultural and community support services	15,500	19,126	12,626
Equipment and supplies	5,500	1,134	4,857
Guards and matrons	40,000	36,266	19,785
Insurance	9,250	11,355	12,681
Investigation costs	5,000	3,355	3,856
Janitorial	9,000	6,780	8,600
Meetings	1,000	250	6,900
Office equipment	-	2,732	-
Office supplies	6,000	23,631	11,726
PROS user fees	9,120	18,146	14,179
Police equipment	45,000	9,434	16,012
Professional fees	48,293	49,957	62,502
RCMP policing assistance	250,000	242,908	404,156
Rent	12,000	7,591	8,450
Repairs and maintenance	-	4,111	-
Retention incentive	4,500	6,000	-
Subscriptions and memberships	3,000	5,169	2,524
Telephone	8,500	12,124	10,509
Travel	28,500	10,672	38,618
Uniforms	10,000	9,082	24,806
Utilities	4,000	2,283	4,197
Vehicle - operating expenses	72,756	69,939	64,626
Vehicle - purchase	45,000	65,128	62,631
Vehicle - repairs and maintenance	35,000	50,482	34,821
Wages and benefits	935,184	886,630	818,928
Workshops and training	-	188	5,549
	1,612,103	1,578,174	1,689,774
Deficiency of revenues over expenditures	\$ -	\$ (9,008)	\$ (93,963)

Schedule 2

File Hills Board of Police Commissioners Inc.
Schedule of Police Board
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Public Safety Canada	\$ 53,560	\$ 53,560	\$ 53,560
Province of Saskatchewan	49,440	49,440	49,440
	103,000	103,000	103,000
Expenditures			
Advertising and recruitment	-	-	3,244
Bank charges and interest	1,000	179	749
Board retainer	5,000	4,750	-
Consultants	3,000	1,285	2,500
Cultural and community support services	4,000	-	3,872
Equipment and supplies	4,000	2,781	826
Insurance	7,500	1,170	1,256
Legal fees and user fees	-	2,296	1,265
Meetings	27,250	27,032	33,582
Office supplies	500	1,002	1,509
Professional fees	6,500	500	792
Rent	600	3,700	7,100
Severance payout	-	-	45,000
Subscriptions and memberships	400	301	150
Telephone	2,000	2,231	920
Travel	16,000	26,744	16,280
Wages and benefits	25,250	18,872	16,951
Workshops and training	-	600	-
	103,000	93,443	135,996
Excess (deficiency) of revenues over expenditures	\$ -	\$ 9,557	\$ (32,996)

Schedule 3

File Hills Board of Police Commissioners Inc.
Schedule of Special Constables
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Public Safety Canada	\$ 173,854	\$ 173,461	\$ 171,982
Province of Saskatchewan	159,088	160,117	157,354
Deferred revenue - current year	-	(85,000)	-
	332,942	248,578	329,336
Expenditures			
Advertising and recruitment	2,000	-	-
Bank charges and interest	1,000	572	5,695
Cultural and community support services	3,000	38	1,994
Equipment and supplies	1,500	-	862
Insurance	-	2,098	1,970
Legal fees and user fees	2,000	-	-
Meetings	-	25	1,000
Office supplies	2,000	1,920	3,311
PROS user fees	7,669	-	1,805
Police equipment	7,500	439	-
Professional fees	-	500	2,532
Rent	11,400	7,400	8,450
Retention incentive	2,500	750	-
Telephone	8,500	6,770	5,293
Travel	3,050	6,055	3,124
Uniforms	4,000	4,706	527
Utilities	4,000	2,086	2,099
Vehicle - operating expenses	19,348	10,612	8,058
Vehicle - purchase	-	-	51,595
Vehicle - repairs and maintenance	9,250	8,400	1,693
Wages and benefits	242,225	97,284	137,811
Workshops and training	2,000	6,568	4,115
	332,942	156,223	241,934
Excess of revenues over expenditures	\$ -	\$ 92,355	\$ 87,402

Schedule 4
File Hills Board of Police Commissioners Inc.
Schedule of Community Events
For the year ended March 31, 2016

	2016 Budget	2016 Actual	2015 Actual
Revenue			
Other revenue	\$ -	\$ 11,687	\$ 3,094
Expenditures			
Round Dance expenses	-	5,836	3,223
Travel	-	-	525
	-	5,836	3,748
Excess (deficiency) of revenues over expenditures	\$ -	\$ 5,851	\$ (654)