

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Financial Statements

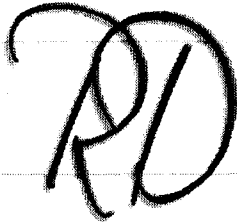
Year Ended December 31, 2017

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Index to Financial Statements

Year Ended December 31, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures and Changes in Net Assets	4
Statement of Cash Flows	5
SCHEDULE OF OPERATIONS (<i>Schedule 1</i>)	6
Notes to Financial Statements	7 - 10



Rebryna Dana LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
MANAGEMENT CONSULTANTS

Shane R. Rebryna* | Curtis A. Dana* | Gordon C. Ferguson* | Wayne L. MacIsaac
HBCom, CPA, CGA, MANAGING PARTNER BBA, CPA, CGA, PARTNER FCPA, FCGA, CFP, CAFM, ASSOCIATE BBA, PBA, ASSOCIATE

INDEPENDENT AUDITOR'S REPORT

To the Members of Athabasca Regional Multiplex Society

We have audited the accompanying financial statements of Athabasca Regional Multiplex Society, which comprise the statement of financial position as at December 31, 2017 and the statements of revenues and expenditures and 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.

Auditor's 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 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.

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

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405 6th Avenue Southwest Slave Lake, Alberta T0G 2A4
Telephone: (780) 849-4949 Facsimile: (780) 849-3401
Email: info@rebrynadanalip.ca



*** Denotes A Professional Corporation

Independent Auditor's Report to the Members of Athabasca Regional Multiplex Society *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Athabasca Regional Multiplex Society as at December 31, 2017 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.



Slave Lake, Alberta
June 18, 2018

Chartered Professional Accountants

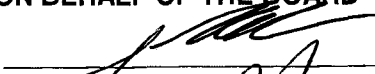
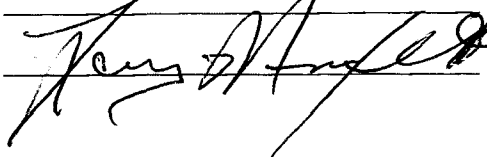
ATHABASCA REGIONAL MULTIPLEX SOCIETY

Statement of Financial Position

December 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash (Note 4)	\$ 136,390	\$ 212,580
Accounts receivable	99,098	92,423
Due from Local Governments (Note 6)	66,706	68,792
Inventory	6,172	5,423
Goods and services tax recoverable	17,220	10,417
Prepaid expenses	11,239	-
TOTAL ASSETS	\$ 336,825	\$ 389,635
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 159,998	\$ 179,418
Deferred revenue	143,224	105,368
Due to Local Governments (Note 6)	33,603	104,849
	336,825	389,635
NET ASSETS		
Unrestricted net assets	-	-
Restricted net assets	-	-
	-	-
TOTAL LIABILITIES AND NET ASSETS	\$ 336,825	\$ 389,635

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

Michael Archde chair
 Larry Armfelt vice chair

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2017

	Budget	2017	2016
REVENUES			
User fees	\$ 536,000	\$ 496,192	\$ 499,493
Rental income	97,550	121,379	94,185
Grants and donations	59,000	58,243	24,760
Contract services	32,000	41,209	29,425
Advertising	-	41,803	35,458
Food services	117,000	126,436	111,856
Lounge sales	80,000	66,920	68,943
Other revenues	16,000	12,956	11,575
	937,550	965,138	875,695
EXPENSES			
Advertising	15,000	6,465	17,419
Computer expenses	6,000	1,049	2,749
Contracted and general services	188,200	253,526	182,258
Equipment rentals	3,000	2,740	1,514
Insurance	52,000	52,429	84,322
Interest and bank charges	5,000	4,861	3,661
Professional and bookkeeping fees	43,000	60,315	42,932
Purchases	102,600	114,750	100,513
Repairs and maintenance	131,500	57,220	68,762
Salaries, wages and benefits	1,046,698	1,056,002	997,368
Supplies	37,800	36,919	28,062
Telephone	17,550	14,612	16,149
Utilities	391,000	366,396	317,919
	2,039,348	2,027,284	1,863,628
DEFICIENCY OF REVENUES OVER EXPENSES			
FROM OPERATIONS	(1,101,798)	(1,062,146)	(987,933)
OTHER INCOME			
Requisitions during the year	1,101,798	1,100,000	1,000,000
Net transfers to deferred revenue	-	(37,856)	(12,067)
	1,101,798	1,062,146	987,933
NET EXCESS OF REVENUES OVER EXPENSES	-	-	-
NET ASSETS - BEGINNING OF YEAR	-	-	-
NET ASSETS - END OF YEAR	\$ -	\$ -	\$ -

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Statement of Cash Flows

Year Ended December 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess Of Revenues Over Expenses	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	(6,675)	(10,874)
Due from Local Governments	2,086	149,193
Inventory	(749)	427
Accounts payable	(19,420)	16,641
Deferred revenue	37,856	12,067
Prepaid expenses	(11,239)	-
Goods and services tax payable	(6,803)	(2,672)
Due to Local Governments	(71,246)	13,456
	(76,190)	178,238
INCREASE (DECREASE) IN CASH FLOW	(76,190)	178,238
Cash - beginning of year	212,580	34,342
CASH - END OF YEAR (Note 4)	\$ 136,390	\$ 212,580

ATHABASCA REGIONAL MULTIPLEX SOCIETY

SCHEDULE OF OPERATIONS

Year Ended December 31, 2017

(Schedule 1)

	Administration	Arena	Fieldhouse	Curling Rink	Lounge & Food Services	Swimming Pool	Programming & Others	2017
REVENUES								
User fees	\$ 107,491	\$ 156,278	\$ 65,418	\$ 46,092	\$ -	\$ 75,901	\$ 45,012	\$ 496,192
Rental income	32,383	-	-	-	-	52,015	36,981	121,379
Grants and donations	-	-	-	-	-	-	58,243	58,243
Contract services	40,092	-	-	-	-	1,117	-	41,209
Advertising	-	41,803	-	-	-	-	-	41,803
Food services	-	-	-	-	126,436	-	-	126,436
Lounge sales	-	-	-	-	66,920	-	-	66,920
Other revenues	7	-	-	-	-	-	12,949	12,956
	179,973	198,081	65,418	46,092	193,356	129,033	153,185	965,138
EXPENDITURES								
Advertising	6,429	-	-	-	-	-	36	6,465
Computer expenses	1,049	-	-	-	-	-	-	1,049
Contracted and general services	154,356	7,994	1,186	22,883	-	12,831	54,276	253,526
Equipment rentals	2,740	-	-	-	-	-	-	2,740
Insurance	36,908	-	-	-	-	3,680	11,841	52,429
Interest and bank charges	4,861	-	-	-	-	-	-	4,861
Professional and bookkeeping fees	60,315	-	-	-	-	-	-	60,315
Purchases	-	-	-	-	111,522	3,228	-	114,750
Repairs and maintenance	15,368	18,894	-	-	381	19,417	3,160	57,220
Salaries, wages and benefits	744,242	192	-	-	58,077	210,329	43,162	1,056,002
Supplies	722	5,057	7,447	1,066	-	14,874	7,753	36,919
Telephone	9,727	-	-	-	-	4,040	845	14,612
Utilities	259,046	-	-	-	-	78,474	28,876	366,396
	1,295,763	32,137	8,633	23,949	169,980	346,873	149,949	2,027,284
INCOME (LOSS) FROM OPERATIONS	\$ (1,115,790)	\$ 165,944	\$ 56,785	\$ 22,143	\$ 23,376	\$ (217,840)	\$ 3,236	\$ (1,062,146)

The accompanying notes are an integral part of these financial statements

Rebryna Dana LLP, Chartered Professional Accountants

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2017

1. NATURE OF OPERATIONS

The Athabasca Regional Multiplex Society (the "society") is a not-for-profit organization that is primarily responsible for the operation and promotion of recreation facilities in the Athabasca area. The Town of Athabasca and the Athabasca County are members of the Society. The Society is exempt from income taxes under the Income Tax Act.

2. BASIS OF PRESENTATION

The financial statements of the Athabasca Regional Multiplex Society are the representations of management prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and in bank.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are initially recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

When the society issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of \$nil.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Athabasca Regional Multiplex Society 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. Grants received in advance are deferred and recorded as revenue in the period to which they relate.

Fundraising revenue is recognized when event has been completed.

Revenue from sales of goods and services is recognized when the requirements as to the performance for transactions are met and collection is reasonably assured.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

4. CASH IN BANK AND ON HAND

	2017	2016
Cash in bank and on hand	\$ 136,390	\$ 212,580

5. NET ASSETS

The Society manages its capital to ensure that it will be able to continue as a going concern and to provide returns to its members while ensuring the consistent delivery of services. The Society's overall strategy remained unchanged.

6. RELATED PARTY TRANSACTIONS

Athabasca County and Town of Athabasca are members of the Society and, as such, have been identified as related parties. Requisitions are based on the budgeted net operating costs of the Society and are allocated among the Society members based on a 50/50 split. The unused requisition in 2017 was transferred to deferred revenue. The deferred revenue in 2016 was recognized as revenue during the year.

Requisitions charged to Society members are as follows:

	2017	2016
Athabasca County	\$ (550,000)	\$ (500,000)
Town of Athabasca	(550,000)	(500,000)
	(1,100,000)	(1,000,000)
Net Transfers to (from) Deferred Revenue	37,856	12,067
	\$ (1,062,146)	\$ (987,933)

(continues)

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2017

6. RELATED PARTY TRANSACTIONS (continued)

	<u>2017</u>	<u>2016</u>
<p>Amounts due from Society members have arisen from allocation of the deficit. Amounts due from Society members at the end of the year are as follows:</p>		
Athabasca County	\$ -	\$ -
Town of Athabasca	66,706	68,792
	\$ 66,706	\$ 68,792

The amounts due to Society members have no fixed terms of repayment and are as follows:

Athabasca County	\$ 33,603	\$ 104,849
Town of Athabasca	-	-
	\$ 33,603	\$ 104,849

7. FINANCIAL RISKS

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of December 31, 2017.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The society is exposed to credit risk from members. In order to reduce its credit risk, the society conducts regular reviews of its existing members' credit performance. The society has a significant number of members which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds from its members and other related sources, and accounts payable.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The society is mainly exposed to interest rate risk.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The organization is exposed to interest rate risk with respect to its short term investments. Management is of opinion that its exposure to changes in interest rates is not significant.

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2017

8. BUDGET

The budget information disclosed in the financial statements is unaudited.

9. APPROVAL OF FINANCIAL STATEMENTS

The Board and management have approved these financial statements.