

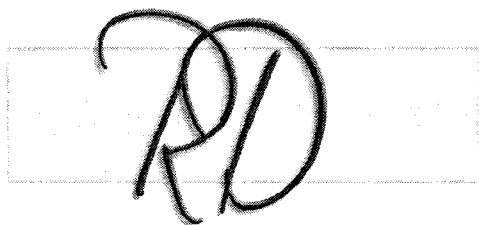
ATHABASCA REGIONAL MULTIPLEX SOCIETY
Financial Statements
Year Ended December 31, 2018

ATHABASCA REGIONAL MULTIPLEX SOCIETY

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Year Ended December 31, 2018

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Rebryna Dana LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
MANAGEMENT CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Athabasca Regional Multiplex Society

Opinion

We have audited the financial statements of Athabasca Regional Multiplex Society (the Society), which comprise the statement of financial position as at December 31, 2018, and the statements of revenues and expenditures and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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* * * Denotes A Professional Corporation

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.




Slave Lake, Alberta
May 29, 2019


Chartered Professional Accountants

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Statement of Financial Position
December 31, 2018

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash (Note 4)	\$ 96,373	\$ 136,390
Accounts receivable	113,463	99,098
Due from Local Governments (Note 6)	-	66,706
Inventory	10,729	6,172
Goods and services tax recoverable	25,487	17,220
Prepaid expenses	-	11,239
	\$ 246,052	\$ 336,825
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 136,316	\$ 159,998
Deferred revenue	73,319	143,224
Due to Local Governments (Note 6)	36,417	33,603
	246,052	336,825
NET ASSETS	-	-
	\$ 246,052	\$ 336,825

ON BEHALF OF THE BOARD

 _____ Director

 _____ ~~Director~~ General Manager

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Statement of Revenues and Expenditures and Changes in Net Assets
Year Ended December 31, 2018

	Budget	2018	2017
TRADE SALES			
User fees	\$ 542,500	\$ 471,653	\$ 496,192
Rental income	148,650	102,180	121,379
Grants and donations	15,000	69,235	58,243
Contract services	16,000	11,291	41,209
Advertising	75,000	37,049	41,803
Food services	35,000	58,580	126,436
Lounge sales	68,000	62,098	66,920
Other revenues	7,100	30,712	12,956
	907,250	842,798	965,138
EXPENSES			
Advertising	70,000	11,597	6,465
Computer expenses	3,000	19,820	1,049
Contracted and general services	218,000	282,094	253,526
Equipment rentals	3,000	2,432	2,740
Insurance	52,570	93,897	52,429
Interest and bank charges	5,500	5,659	4,859
Professional and bookkeeping fees	45,000	106,707	60,315
Purchases	57,500	58,097	114,750
Repairs and maintenance	162,500	73,094	57,220
Salaries, wages and benefits	1,005,500	1,143,595	1,056,002
Supplies	31,000	41,316	36,919
Telephone	15,100	16,076	14,612
Utilities	401,000	379,197	366,396
	2,069,670	2,233,581	2,027,282
DEFICIENCY OF TRADE SALES OVER EXPENSES FROM OPERATIONS	(1,162,420)	(1,390,783)	(1,062,144)
OTHER INCOME			
Requisitions during the year	1,162,420	1,320,878	1,100,000
Net transfers to deferred revenue	-	69,905	(37,856)
	1,162,420	1,390,783	1,062,144
NET EXCESS OF TRADE SALES OVER EXPENSES	-	-	-
NET ASSETS - BEGINNING OF YEAR	-	-	-
NET ASSETS - END OF YEAR	\$ -	\$ -	\$ -

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Statement of Cash Flows

Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of trade sales over expenses	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	(14,365)	(6,675)
Due from Local Governments	66,706	2,086
Inventory	(4,557)	(749)
Accounts payable	(23,682)	(19,420)
Deferred revenue	(69,905)	37,856
Prepaid expenses	11,239	(11,239)
Goods and services tax payable	(8,267)	(6,803)
Due to Local Governments	2,814	(71,246)
	(40,017)	(76,190)
DECREASE IN CASH FLOW	(40,017)	(76,190)
Cash - beginning of year	136,390	212,580
CASH - END OF YEAR (Note 4)	\$ 96,373	\$ 136,390

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Schedule of Operations

(Schedule 1)

Year Ended December 31, 2018

	Administration	Arena	Fieldhouse	Curling Rink	Lounge & Food Services	Swimming Pool	Programming & Others	2018
REVENUES								
User fees	\$ 108,684	\$ 137,020	\$ 53,864	\$ 47,171	\$ -	\$ 72,310	\$ 52,604	\$ 471,653
Rental income	29,328	-	-	-	-	48,703	24,149	102,180
Grants and donations	-	-	-	-	-	-	69,235	69,235
Contract services	11,291	-	-	-	-	-	-	11,291
Advertising	-	37,049	-	-	-	-	-	37,049
Food services	-	-	-	-	58,580	-	-	58,580
Lounge sales	-	-	-	-	62,098	-	-	62,098
Other revenues	17,801	-	-	-	-	-	12,911	30,712
	167,104	174,069	53,864	47,171	120,678	121,013	158,999	842,798
EXPENDITURES								
Advertising	11,597	-	-	-	-	-	-	11,597
Computer expenses	19,820	-	-	-	-	-	-	19,820
Contracted and general services	152,096	14,189	1,799	24,500	-	13,901	75,609	282,094
Equipment rentals	2,432	-	-	-	-	-	-	2,432
Insurance	81,592	-	-	-	-	-	12,305	93,897
Interest and bank charges	5,659	-	-	-	-	-	-	5,659
Professional and bookkeeping fees	106,707	-	-	-	-	-	-	106,707
Purchases	-	-	-	-	56,679	1,419	-	58,098
Repairs and maintenance	18,133	28,468	-	-	506	25,908	80	73,095
Salaries, wages and benefits	813,884	-	-	-	42,569	228,622	58,519	1,143,594
Supplies	-	4,702	8,595	356	-	17,558	10,104	41,315
Telephone	12,199	-	-	-	-	3,100	777	16,076
Utilities	276,776	-	-	-	-	76,778	25,643	379,197
	1,500,895	47,359	10,394	24,856	99,754	367,286	183,037	2,233,581
INCOME (LOSS) FROM OPERATIONS	\$ (1,333,791)	\$ 126,710	\$ 43,470	\$ 22,315	\$ 20,924	\$ (246,273)	\$ (24,138)	\$ (1,390,783)

The accompanying notes are an integral part of these financial statements
 Chartered Professional Accountants

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2018

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 (ASNFPO).

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.

(continues)

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2018

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

	2018	2017
Cash in bank and on hand	\$ 96,373	\$ 136,390

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 2018 was transferred to deferred revenue. The deferred revenue in 2017 was recognized as revenue during the year.

Requisitions charged to Society members are as follows:

	2018	2017
Athabasca County	\$ (660,439)	\$ (550,000)
Town of Athabasca	(660,439)	(550,000)
Net Transfers to (from) Deferred Revenue	(1,320,878) (69,905)	(1,100,000) 37,856
	\$ (1,390,783)	\$ (1,062,144)

(continues)

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2018

6. RELATED PARTY TRANSACTIONS *(continued)*

2018 **2017**

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:

Athabasca County	\$	-	\$	-
Town of Athabasca		-		66,706
	\$	-	\$	66,706

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

Athabasca County	\$	36,417	\$	33,603
Town of Athabasca		-		-
	\$	36,417	\$	33,603

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements Year Ended December 31, 2018

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, 2018.

(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.

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.