

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Financial Statements
For The Year Ended December 31, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards for government not-for-profit organizations. The responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibility for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The appointed Board of Directors of Athabasca Regional Multiplex Society are composed entirely of individuals who are neither management nor employees of the Society. The Board of Directors have the responsibility of meeting with management and the external auditors to discuss the internal controls over the financial reporting process, auditing matters, and financial reporting issues. The Board of Directors are also responsible for the appointment of the Society's external auditors.

Metrix Group LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board of Directors to audit the financial statements and to report directly to them. The external auditors have full and free access to and meet periodically and separately with management and the Board of Directors to discuss their audit findings.


Travis Johnson, Chairperson


Rhonda Alix, General Manager

Athabasca, Alberta
October 14, 2021

INDEPENDENT AUDITORS' REPORT

To the Members of Athabasca Regional Multiplex Society

Opinion

We have audited the financial statements of the Athabasca Regional Multiplex Society (the "Society"), which comprise the statement of financial position as at December 31, 2020, and the statement of operations 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, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with 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 these 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 public sector accounting standards for government 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 related 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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Independent Auditors' Report to the Members of Athabasca Regional Multiplex Society (continued)

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta
October 14, 2021

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Statement of Financial Position
As at December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 434,941	\$ 244,065
Accounts receivable	150,155	81,370
Inventory	4,863	12,249
Goods and Services Tax recoverable	72,924	48,694
Prepaid expenses	2,936	-
	<u>\$ 665,819</u>	<u>\$ 386,378</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 2)	\$ 448,007	\$ 138,916
Deferred revenue (Note 3)	217,812	247,462
	<u>665,819</u>	<u>386,378</u>
NET ASSETS		
Unrestricted	<u>-</u>	<u>-</u>
	<u>\$ 665,819</u>	<u>\$ 386,378</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

The accompanying notes are an integral part of these financial statements.

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Statement of Operations and Changes in Net Assets
For The Year Ended December 31, 2020

	2020 (Budget) (Note 11)	2020 (Actual)	2019 (Actual)
REVENUE			
Local government transfers (Note 4)	\$ 1,835,892	\$ 1,965,574	\$ 1,681,204
Rental	380,648	174,043	235,232
User fees	424,000	160,446	511,875
Advertising	55,500	25,495	29,619
Lounge sales	60,100	13,612	61,125
Contracted services	8,500	7,936	12,429
Food services	19,660	3,597	14,499
Government transfers (Note 5)	20,000	3,192	107,454
Other	3,000	1,760	3,145
	2,807,300	2,355,655	2,656,582
EXPENSES			
Administration	1,450,000	1,127,210	1,412,669
Swimming pool	640,000	651,929	749,729
Arena	393,000	262,051	140,006
Curling rink	64,700	129,594	108,083
Fieldhouse	23,300	81,263	29,384
Programming & other	154,300	72,796	150,170
Lounge & food services	82,000	30,812	66,541
	2,807,300	2,355,655	2,656,582
EXCESS OF REVENUE OVER EXPENSES	\$ -	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Statement of Cash Flows
For The Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ -	\$ -
Changes in non-cash working capital:		
Accounts receivable	(68,785)	32,094
Inventory	7,386	(1,520)
Goods and Services Tax recoverable	(24,230)	(23,207)
Prepaid expenses	(2,936)	-
Accounts payable and accrued liabilities	309,091	(33,818)
Deferred revenue	(29,650)	174,143
	<u>190,876</u>	<u>147,692</u>
INCREASE IN CASH FLOWS	190,876	147,692
CASH - BEGINNING OF YEAR	<u>244,065</u>	<u>96,373</u>
CASH - END OF YEAR	\$ 434,941	\$ 244,065

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of presentation*

The financial statements were prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

(b) *Revenue recognition*

The 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 reasonable assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Government transfers received in advance are deferred and recorded as revenue in the period in which they relate.

Rental revenue is recognized as the rental space is provided.

Local government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Revenue from the sale of foods services are recognized when customers purchase the goods.

Revenue derived from the sale of fitness membership contracts, daily use fees, advertising, and other contracted services are recognized as revenue as follows:

- a) Fitness membership contracts: recognized as income on a straight-line basis over the term of the contract.
- b) Daily use fees: recognized as income when the pass is sold.
- c) Advertising: recognized as revenue over the term of the contract.
- d) Contracted services: when performance for transactions are met and collection is reasonably assured.

(c) *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.

(d) *Contributed services*

The operations of the Society 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.

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ATHABASCA REGIONAL MULTIPLEX SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Pension expenses

Contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

(f) Measurement uncertainty

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 recorded amounts of assets and liabilities, the 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. Significant areas requiring the use of management's estimates include the collection of accounts receivable and accrued liabilities. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

(g) Financial instruments

Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instruments.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement on operations.

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

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

The Society has no financial assets measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Society recognizes its transaction costs in the excess of revenue over expenses in the period incurred. However the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their organization, issuance or assumption.

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

2. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Canada Emergency Wage Subsidy	\$ 412,552	\$ -
Trade payables	25,042	49,020
Accrued salaries and wages	10,413	73,112
Source deductions payable	-	16,784
	<u>\$ 448,007</u>	<u>\$ 138,916</u>

3. DEFERRED REVENUE

Deferred revenue consist of externally designated funds received by the Society. The funds are specifically designated for future expenses.

	Balance, Beginning of Year	Additions	Revenue recognized	Balance, End of Year
Community facility enhancement program grant	\$ 217,742	\$ 117	\$ (47)	\$ 217,812
Local government transfers	29,720	1,935,854	(1,965,574)	-
	<u>\$ 247,462</u>	<u>\$ 1,935,971</u>	<u>\$ (1,965,621)</u>	<u>\$ 217,812</u>

4. LOCAL GOVERNMENT TRANSFERS

	2020	2019
Town of Athabasca	\$ 982,787	\$ 840,602
Athabasca County	982,787	840,602
	<u>\$ 1,965,574</u>	<u>\$ 1,681,204</u>

5. GOVERNMENT TRANSFERS

	2020	2019
Federal government transfer	\$ 3,145	\$ 21,000
Community facility enhancement program grant	47	86,454
	<u>\$ 3,192</u>	<u>\$ 107,454</u>

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

6. RELATED PARTY TRANSACTIONS

Athabasca County (the "County") and the Town of Athabasca (the "Town") are related to the Society by virtue of being joint operators of the Society. All transactions with the County and Town are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	<u>2020</u>	<u>2019</u>
<u>Town of Athabasca</u>		
Revenues:		
Local government transfer	\$ 982,787	\$ 840,602
Rental	50	58
Contracted services	-	281
	<u>982,837</u>	<u>840,941</u>
Expenses:		
Utilities	60,102	69,202
Insurance	15,476	19,768
Contracted and general services	3,191	751
Supplies	81	141
	<u>78,850</u>	<u>89,862</u>
Statement of Financial Position:		
Receivable to the Society	<u>23,279</u>	<u>345</u>
 <u>Athabasca County</u>		
Revenues:		
Local government transfer	\$ 982,787	\$ 840,602
Rental	150	2,234
Contracted services	-	1,193
Lounge sales	-	986
	<u>982,937</u>	<u>845,015</u>
Expenses:		
Insurance	<u>59,543</u>	<u>62,402</u>
Statement of Financial Position:		
Receivable to the Society	<u>54,316</u>	<u>1,778</u>

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Notes to Financial Statements
Year Ended December 31, 2020

7. LOCAL AUTHORITIES PENSION PLAN

Employees of the Society participate in the Local Authorities Pension Plan (LAPP), which is covered by the *Public Sector Pension Plans Act*. LAPP is financed by employer and employee contributions and investment earnings of the LAPP Fund.

The Society is required to make current service contributions to the Plan of 9.39% (2019 - 9.39%) of pensionable earnings up to the Canada Pension Plan year's maximum pensionable earnings and 13.84% (2019 - 13.84%) for the excess. Employees of the Society are required to make current service contributions of 8.39% (2019 - 8.39%) of pensionable earnings up to the year's maximum pensionable earnings and 12.84% (2019 - 12.84%) on pensionable earnings above this amount.

Total current and past service contributions made by the Society to the LAPP in 2020 were \$55,552 (2019 - \$46,050). Total current and past service contributions made by the employees of the Society to the LAPP in 2020 were \$49,861 (2019 - \$41,254).

At December 31, 2019, the LAPP disclosed an actuarial surplus of \$7.91 billion (2018 - \$3.47 billion).

8. FINANCIAL INSTRUMENTS

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, 2020.

(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 members.

The Society mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise.

Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

9. ECONOMIC DEPENDENCE

The Society's primary source of funding consists of local government transfers from the Town of Athabasca (the "Town") and Athabasca County (the "County"). The Society's ability to continue viable operations is dependent upon the ability of the Town and County to continue their funding. As of the date of the financial statements, the Society is confident this support will continue in the future.

ATHABASCA REGIONAL MULTIPLEX SOCIETY

Notes to Financial Statements

Year Ended December 31, 2020

10. SEGMENTED DISCLOSURE

The Society provides a range of services to its users. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. The segmented disclosure is illustrated in Schedule 1 & 2.

11. BUDGET AMOUNTS

The budget amounts have been presented for information purposes and have not been audited.

12. APPROVAL OF FINANCIAL STATEMENTS

The Board and management have approved these financial statements.

13. IMPACT OF COVID-19

On March 17, 2020, the Government of Alberta declared a public health emergency in response to the coronavirus disease 2019 ("COVID-19") outbreak. The measures implemented to combat the spread of the virus have had an impact on the Society; however at this time as estimate of the financial effect is not feasible at this time.

The Society is closely monitoring the recommendations from public health agencies and government authorities whie implementing its new operational plan to reduce any adverse financial impact and continue operations.

The Society was forced to close the facility for the following periods:

- March 17 - June 15, 2020.
- December 13, 2020 - February 8, 2021.

During the periods when the Society was able to reopen, the Society was subject to various restrictions and limited access and availability of facilities, programs and services.

ATHABASCA REGIONAL MULTIPLEX SOCIETY
Segmented Disclosure
For The Year Ended December 31, 2020

(Schedule 1)

	Administration	Arena	Fieldhouse	Curling rink	Lounge & food services	Swimming pool	Programming & other	2020
REVENUES								
Local government transfers (Note 4)	\$ 1,965,574	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,965,574
Rental income	15,126	77,698	25,356	25,076	-	12,938	17,849	174,043
User fees	-	4,813	68,992	1,604	-	85,037	-	160,446
Advertising	25,495	-	-	-	-	-	-	25,495
Lounge sales	-	-	-	-	13,612	-	-	13,612
Contract services	3,778	-	-	-	-	4,158	-	7,936
Food services	-	-	-	-	3,597	-	-	3,597
Government transfers (Note 5)	47	-	-	-	-	-	3,145	3,192
Other	1,760	-	-	-	-	-	-	1,760
	2,011,780	82,511	94,348	26,680	17,209	102,133	20,994	2,355,655
EXPENSES								
Salaries, wages and benefits	643,596	124,055	47,900	2,207	18,159	353,120	21,148	1,210,185
Utilities	23,216	81,255	23,216	81,255	-	232,157	23,216	464,315
Repairs and maintenance	207,633	54,456	3,269	14,544	-	25,457	14,464	319,823
Contracted and general services	100,138	2,285	283	30,857	200	4,429	2,253	140,445
Supplies	-	-	6,595	-	200	35,138	493	42,426
Insurance	61,232	-	-	-	-	-	10,787	72,019
Professional fees	54,964	-	-	-	-	-	-	54,964
Telephone	28,662	-	-	731	252	1,484	213	31,342
Food costs	-	-	-	-	12,001	-	-	12,001
Interest and bank charges	5,822	-	-	-	-	-	-	5,822
Advertising and promotion	1,947	-	-	-	-	144	222	2,313
	1,127,210	262,051	81,263	129,594	30,812	651,929	72,796	2,355,655
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 884,570	\$ (179,540)	\$ 13,085	\$ (102,914)	\$ (13,603)	\$ (549,796)	\$ (51,802)	\$ -

The accompanying notes are an integral part of these financial statements.

ATHABASCA REGIONAL MULTIPLEX SOCIETY

(Schedule 2)

Segmented Disclosure

For The Year Ended December 31, 2019

	Administration	Arena	Fieldhouse	Curling rink	Lounge & food services	Swimming pool	Programming & other	2019
REVENUES								
Local government transfers (Note 4)	\$ 1,681,204	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,681,204
User fees	-	15,356	220,106	5,119	-	271,294	-	511,875
Rental income	29,870	49,845	70,612	4,034	-	42,624	38,247	235,232
Government transfers (Note 5)	86,454	-	-	-	-	-	21,000	107,454
Lounge sales	-	-	-	-	61,125	-	-	61,125
Advertising	-	29,619	-	-	-	-	-	29,619
Food services	-	-	-	-	14,499	-	-	14,499
Contract services	12,429	-	-	-	-	-	-	12,429
Other	3,145	-	-	-	-	-	-	3,145
	1,813,102	94,820	290,718	9,153	75,624	313,918	59,247	2,656,582
EXPENSES								
Salaries, wages and benefits	841,948	8,532	-	-	24,212	441,366	51,979	1,368,037
Utilities	23,078	80,774	23,079	80,774	-	230,784	23,078	461,567
Repairs and maintenance	212,813	50,700	-	-	7,593	24,460	25,284	320,850
Contracted and general services	118,804	-	6,305	20,992	-	25,104	27,057	198,262
Professional fees	102,409	-	-	-	-	-	-	102,409
Insurance	62,402	-	-	-	-	-	19,768	82,170
Supplies	-	-	-	6,317	-	28,015	2,583	36,915
Food costs	-	-	-	-	34,736	-	-	34,736
Telephone	16,068	-	-	-	-	-	421	16,489
Computer expenses	15,159	-	-	-	-	-	-	15,159
Advertising and promotion	9,819	-	-	-	-	-	-	9,819
Interest and bank charges	7,406	-	-	-	-	-	-	7,406
Equipment rental	2,763	-	-	-	-	-	-	2,763
	1,412,669	140,006	29,384	108,083	66,541	749,729	150,170	2,656,582
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 400,433	\$ (45,186)	\$ 261,334	\$ (38,930)	\$ 9,083	\$ (435,811)	\$ (90,923)	\$ -

The accompanying notes are an integral part of these financial statements.