

SEDGEWICK AGRICULTURAL RECREATION CENTRE

FINANCIAL STATEMENTS

August 31, 2018

(Unaudited)

SHAUNET PETIOT

CERTIFIED GENERAL ACCOUNTANT

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

I have reviewed the accompanying financial statements of Sedgewick Agricultural Recreation Centre that comprise the statement of financial position as at August 31, 2018, and the statements of operation, fund balance 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Sedgewick Agricultural Recreation Centre at August 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.

CHARTERED PROFESSIONAL ACCOUNTANT
CERTIFIED GENERAL ACCOUNTANT

Daysland, Alberta
December 7, 2018

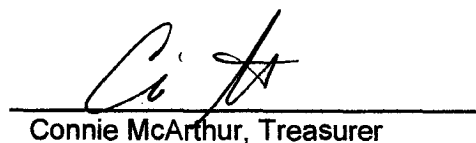
SEDGEWICK AGRICULTURAL RECREATION CENTRE
STATEMENT OF FINANCIAL POSITION
(Unaudited)
As At August 31, 2018

	2018	2017
Current Assets		
Cash - general account	\$ 50,320	\$ 87,078
- Friends of account	85,626	56,388
- ATM and float	12,140	540
Accounts receivable	6,566	4,960
Wild Rose Co-op Gift cards on hand	10,500	6,500
Sales tax receivable	671	682
	165,823	156,148
Wild Rose Co-op member equity	8,835	8,756
Vision Credit Union shared investment plan	164	158
	\$ 174,822	\$ 165,062
Current liabilities		
Accounts payable	\$ 4,388	\$ -
Accrued liabilities	2,000	2,000
	6,388	2,000
Fund balance		
Unrestricted	168,434	163,062
	\$ 174,822	\$ 165,062

This financial statement has been reviewed and approved by:



Greg Sparrow, President



Connie McArthur, Treasurer

Jan. 28/19

Date

Jan. 28/19

Date

SEDGEWICK AGRICULTURAL RECREATION CENTRE
STATEMENT OF OPERATIONS AND FUND BALANCE
(Unaudited)
For the Year Ended August 31, 2018

	2018	2017
Revenue		
Bowling (Schedule 1)	\$ 30,325	\$ 32,933
Arena (Schedule 1)	139,902	112,248
Curling (Schedule 2)	25,063	30,190
Concession (Schedule 2)	113,635	108,405
Facility rental (Schedule 3)	12,232	15,250
Grants - Ag Society	17,500	17,500
- Town of Sedgewick	29,785	42,500
- Recreation funding grant - kitchen upgrade	15,000	5,376
Fundraising and donations	55,775	107,184
Other income	2,653	2,329
	441,870	473,915
Expenditures		
Bowling (Schedule 1)	6,581	4,848
Arena (Schedule 1)	78,075	134,416
Curling (Schedule 2)	17,435	22,659
Concession (Schedule 2)	157,831	87,218
Facility (Schedule 3)	141,637	107,915
Advertising	17	929
Bank charges	288	115
First aid and safety	3,063	4,031
Fundraising	13,749	103,277
Office	1,997	1,676
Professional fees	15,825	14,210
	436,498	481,294
Excess (deficiency) of revenues over expenditures	5,372	(7,379)
Fund balance - beginning	163,062	170,441
Fund balance - ending	\$ 168,434	\$ 163,062

SEDGEWICK AGRICULTURAL RECREATION CENTRE
STATEMENT OF CASH FLOW
(Unaudited)
As At August 31, 2018

	2018	2017
Operating Activities		
Total excess of revenues over expenditures	\$ 5,372	\$ (7,379)
Changes in non-cash working capital		
Accounts receivable	(1,606)	(2,650)
Wild Rose Co-op gift cards on hand	(4,000)	(6,500)
Sales tax receivable/payable	11	409
Accounts payable	4,388	-
Accrued liabilities	-	250
	(1,207)	(8,491)
	4,165	(15,870)
Investing Activities		
Increase in patronage accounts	(85)	(136)
	4,080	(16,006)
Cash - beginning of year	144,006	160,012
Cash - end of year	\$ 148,086	\$ 144,006

SEDGEWICK AGRICULTURAL RECREATION CENTRE
STATEMENT OF OPERATIONS BY CATEGORY
(Unaudited)
For the Year Ended August 31, 2018

	2018	2017
BOWLING		
Income		
Lease	\$ 27,900	\$ 30,000
Bowling revenues	2,425	2,933
	30,325	32,933
Expenditures		
Advertising	160	80
Repairs	354	642
Janitorial	1,710	720
Scorecards and equipment	444	-
Gas	1,940	1,688
Power	1,973	1,718
	6,581	4,848
	\$ 23,744	\$ 28,085
ARENA		
Income		
Minor hockey	\$ 92,651	\$ 71,823
Rec hockey	4,376	4,831
Hockey academy	-	645
Sabres hockey	8,450	-
Killam Wheat Kings hockey	4,680	-
Public skating and CanSkate	3,988	4,220
Lacrosse rental	3,050	2,425
Zumba room rental	-	240
Facility rental	16,457	13,693
Advertising	6,250	5,800
Sale of 1990 Zamboni	-	8,571
	139,902	112,248
Expenditures		
Arena repairs and maintenance	100	9,124
Compressor repairs and maintenance	1,233	6,659
Zamboni repairs and maintenance	4,123	604
Ice plant repairs & maintenance	9,534	8,190
Program expenses	5,589	5,302
Gas	3,530	3,376
Electricity - arena	5,920	5,741
Electricity - power plant	27,163	25,749
Wages	20,883	13,331
Capital projects - Zamboni	-	46,245
- Zamboni boiler system	-	7,600
- ATM machine purchase	-	2,495
	78,075	134,416
	\$ 61,827	\$ (22,168)

SEDGEWICK AGRICULTURAL RECREATION CENTRE
STATEMENT OF OPERATIONS BY CATEGORY

(Unaudited)

For the Year Ended August 31, 2018

	2018	2017
CURLING		
Income		
Lease	\$ 5,000	\$ 5,000
Share of curling lounge - 10%	2,628	3,318
Rentals	-	47
Utility and repair recoveries	17,435	21,825
	25,063	30,190
Expenditures		
Curling rink repairs and maintenance	-	4,443
Lounge repairs and maintenance	-	834
Gas	2,444	2,313
Electricity - curling rink	3,332	2,975
Electricity - power plant	11,659	12,094
	17,435	22,659
	\$ 7,628	\$ 7,531
CONCESSION		
Income	\$ 113,635	\$ 108,405
Expenditures		
Merchandise	52,426	45,998
Supplies	4,092	269
Equipment - deep fryer	-	2,689
Repairs	1,091	2,901
Concession renovations	35,052	1,012
Training and fees	-	200
Wages	65,170	34,149
	157,831	87,218
	\$ (44,196)	\$ 21,187

SCHEDULE 3

SEDGEWICK AGRICULTURAL RECREATION CENTRE
STATEMENT OF OPERATIONS BY CATEGORY
(Unaudited)
For the Year Ended August 31, 2018

	2018	2017
FACILITY		
Income		
Rental	\$ 12,232	\$ 15,250
Expenditures		
Facility repairs and maintenance	14,597	10,603
Capital - baseball diamond updates	26,557	-
- Dual air glider	698	-
Dues and fees	633	-
Freight	170	-
Elevator	1,013	1,637
Security	300	817
Custodian supplies	6,521	3,158
Equipment repairs and maintenance	5,353	507
Travel	420	-
Insurance	170	221
Gas	14,456	13,422
Electricity	20,631	17,583
Telephone	2,269	2,046
Waste Management	1,036	1,152
Wages	46,813	56,769
	141,637	107,915
	\$ (129,405)	\$ (92,665)

SEDGEWICK AGRICULTURAL RECREATION CENTRE
NOTES TO THE FINANCIAL STATEMENTS
August 31, 2018
(Unaudited)

1. PURPOSE OF THE ORGANIZATION

The Sedgewick Agricultural Recreation Centre is a non-profit organization formed under the Societies Act of Alberta. The organization assists in the operation of the Sedgewick Recreation Centre. The society is exempt for income tax purposes for income tax purposes under Section 149(1) of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Fund accounting

The General Fund accounts for current operations and programs as well as the organization's general operations. Unrestricted contributions (donations and grants) and restricted contributions to be used for operations are reported in this fund.

(b) Recognition of contributions

The organization follows the restricted fund method whereby externally restricted contributions (grants and donations) are recognized in the fund corresponding to the purpose for which they were contributed. Unrestricted contributions are recognized as revenues in the General Fund.

Because of the uncertainty surrounding the collectability of grants, the organization recognizes them when they are received.

(c) Contributed services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable amount of number of hours. Because of the difficulty in compiling these hours, contributed services are not recognized in these financial statements.

(d) Recognition of other revenues

The revenues from the recreation centre are recognized at the time of sale and those from fundraising activities when such activities are held.

(e) Capital assets

Capital assets are recorded as expenditures in the year of acquisition. The expenditure is recognized in the general fund, allocated to the specific division for which the asset is purchased.

(f) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and trade receivables.

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

(g) Allocation of common expenses

Sedgewick Agricultural Recreation Centre allocates utilities by division:

- utilities are prorated based on a percentage of estimated use determined by the board of directors.

3. CAPITAL EXPENDITURES

The organization has included the following capital expenditures in the financial statements in the past ten years:

2018	Ball diamond upgrade	26,557
2018	Concession renovations	35,052
2018	Dual glider	698
2017	Zamboni	51,245
2017	Boiler system for Zamboni	7,600
2017	ATM machine purchase	2,495
2017	Deep fryer	2,689
2016	Lap top computer	701
2015	Sound system	10,861
2015	Deep fryer	2,869
2014	Grill	5,669
2014	Lighting project	67,935
2014	Computer and desk	1,953
2013	Outdoor sign board	10,768
2012	Heater upgrade	24,583
2011	2 tank slush machine	3,295
2010	Security system	8,952
2009	Cimco	54,654

4. TOWN OF SEDGEWICK AGREEMENT

The land and building are owned by the Town of Sedgewick. The Town of Sedgewick has developed a bylaw for how the board is to be governed in operating the recreation centre on the town's behalf.

5. FINANCIAL INSTRUMENTS

The Sedgewick Agricultural Recreation Centre is exposed to various risks through its financial instruments. The following analysis presents the organization's exposures to significant risk at the reporting date.

Credit risk

The organization's main credit risks relate to its accounts receivable and grants receivable.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due.

SHAUNET PETIOT

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December 7, 2018

Sedgewick Agricultural Recreation Centre
Box 11
Sedgewick, AB T0B 4C0

ATTENTION: BOARD OF DIRECTORS

Dear Sirs:

During the course of performing the review engagement, I identified areas of greater risk that the board should be aware of to protect their interests in running the recreation centre.

Deposits for cash, both from events and the concession should have external verification of amounts received. I would recommend that the organization prepare a cash out sheet for each event that cash is received. The last shift responsible for collecting cash should be recording the amount of cash taken in on the cash out sheet. This sheet should be signed by at least one person other than the treasurer before the funds are deposited by the treasurer. This sheet should be kept with the accounting records for external verification during the review engagement process. At this time, I do not suspect any missing funds or fraud. This is an internal control that can be used to ensure all funds received are deposited to prevent missing funds or fraud.

Cash collected from concession sales should be reconciled to the till daily. When the deposit of cash is given to the treasurer, the reconciliation schedule should be included to allow the treasurer to verify the cash has been reconciled and is received in full and intact. The reconciliation sheets should be kept as part of the accounting records.

Gift cards are purchased from the Wild Rose Co-op as a means of fundraising. The gift cards on hand at the beginning of the year plus purchases less the gift cards on hand at the end of the year should equal the amount of sales, as the values are recorded at the full amount when the gift cards are purchased, with the 6% donation being recognized as income in a separate account at the time of the purchase of the gift card. Each bundle of cards purchased should track the sales as well as when the funds are deposited into the bank account. Tracking each bundle individually will ensure for better accuracy of funds being handled between the Town and the treasurer for the Society.

If you have any questions, please feel free to contact me at your earliest convenience.

Yours truly,

Shaunet Petiot
Shaunet Petiot, CPA, CGA, BAccSc
Chartered Professional Accountant
Certified General Accountant