

**SEDGEWICK AGRICULTURAL RECREATION CENTRE**

**FINANCIAL STATEMENTS**

**August 31, 2019**

**(Unaudited)**

# SHAUNET PETIOT

## CHARTERED PROFESSIONAL ACCOUNTANT

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### INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors:

I have reviewed the accompanying financial statements of Sedgewick Agricultural Recreation Centre that comprise the statement of financial position as at August 31, 2019, 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, 2019, 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.

*Shaunet Petiot Chartered Professional Accountant*

Daysland, Alberta  
December 16, 2019

**SEDGEWICK AGRICULTURAL RECREATION CENTRE**  
**STATEMENT OF FINANCIAL POSITION**  
(Unaudited)  
**As At August 31, 2019**

	2019	2018
<b>Current Assets</b>		
Cash - general account	\$ 23,970	\$ 50,320
- capital account	68,212	85,626
- ATM and float	420	12,140
Accounts receivable	2,835	6,566
Wild Rose Co-op Gift cards on hand	7,800	10,500
Sales tax receivable	445	671
	<b>103,682</b>	<b>165,823</b>
<b>Wild Rose Co-op member equity</b>	<b>8,997</b>	<b>8,835</b>
<b>Vision Credit Union shared investment plan</b>	<b>173</b>	<b>164</b>
	<b>\$ 112,852</b>	<b>\$ 174,822</b>
<b>Current liabilities</b>		
Accounts payable	\$ -	\$ 4,388
Accrued liabilities	2,000	2,000
	<b>2,000</b>	<b>6,388</b>
<b>Fund balance</b>		
Unrestricted	110,852	168,434
	<b>\$ 112,852</b>	<b>\$ 174,822</b>

This financial statement has been reviewed and approved by:

  
\_\_\_\_\_  
Greg Sparrow, President

  
\_\_\_\_\_  
Connie McArthur, Treasurer

DEC 16/19  
\_\_\_\_\_  
Date

Dec. 16/19  
\_\_\_\_\_  
Date

**SEDGEWICK AGRICULTURAL RECREATION CENTRE**  
**STATEMENT OF OPERATIONS AND FUND BALANCE**  
(Unaudited)  
For the Year Ended August 31, 2019

	2019	2018
<b>Revenue</b>		
Bowling (Schedule 1)	\$ 30,740	\$ 30,325
Arena (Schedule 1)	114,294	139,902
Curling (Schedule 2)	36,049	25,063
Concession (Schedule 2)	102,093	113,635
Facility rental (Schedule 3)	17,719	12,232
Grants - Sedgewick & District Agricultural Society	10,000	17,500
- Recreation funding grant - operational	27,500	29,785
- Recreation funding grant - capital	15,000	15,000
Fundraising and donations	26,759	55,775
Other income	3,173	2,653
	<b>383,327</b>	<b>441,870</b>
<b>Expenditures</b>		
Bowling (Schedule 1)	6,431	6,581
Arena (Schedule 1)	118,675	78,075
Curling (Schedule 2)	26,683	17,435
Concession (Schedule 2)	120,849	157,831
Facility (Schedule 3)	136,806	141,637
Advertising	60	17
Bank charges	122	288
First aid and safety	2,707	3,063
Fundraising	10,125	13,749
Office	1,171	1,997
Professional fees	17,280	15,825
	<b>440,909</b>	<b>436,498</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(57,582)</b>	<b>5,372</b>
Fund balance - beginning	168,434	163,062
<b>Fund balance - ending</b>	<b>\$ 110,852</b>	<b>\$ 168,434</b>

**SEDGEWICK AGRICULTURAL RECREATION CENTRE**  
**STATEMENT OF CASH FLOW**  
(Unaudited)  
**As At August 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>Operating Activities</b>		
Total excess of revenues over expenditures	\$ (57,582)	\$ 5,372
Changes in non-cash working capital		
Accounts receivable	3,731	(1,606)
Wild Rose Co-op gift cards on hand	2,700	(4,000)
Sales tax receivable/payable	226	11
Accounts payable	(4,388)	4,388
	<b>2,269</b>	<b>(1,207)</b>
	<b>(55,313)</b>	<b>4,165</b>
<b>Investing Activities</b>		
Increase in patronage accounts	(171)	(85)
	<b>(55,484)</b>	<b>4,080</b>
<b>Cash - beginning of year</b>	<b>148,086</b>	<b>144,006</b>
<b>Cash - end of year</b>	<b>\$ 92,602</b>	<b>\$ 148,086</b>

**SEDGEWICK AGRICULTURAL RECREATION CENTRE**  
**STATEMENT OF OPERATIONS BY CATEGORY**  
(Unaudited)  
For the Year Ended August 31, 2019

	2019	2018
<b>BOWLING</b>		
Income		
Lease	\$ 27,581	\$ 27,900
Bowling revenues	3,159	2,425
	<b>30,740</b>	<b>30,325</b>
Expenditures		
Advertising	180	160
Repairs	362	354
Janitorial	1,710	1,710
Scorecards and equipment	63	444
Gas	1,860	1,940
Power	2,256	1,973
	<b>6,431</b>	<b>6,581</b>
	<b>\$ 24,309</b>	<b>\$ 23,744</b>
<b>ARENA</b>		
Income		
Minor hockey	\$ 66,516	\$ 92,651
Rec hockey	4,181	4,376
Sabres hockey	8,645	8,450
Killam Wheat Kings hockey	-	4,680
Public skating and CanSkate	6,546	3,988
Lacrosse rental	4,800	3,050
Facility rental	15,913	16,457
Sabres dressing room rental	2,000	-
Advertising	5,693	6,250
	<b>114,294</b>	<b>139,902</b>
Expenditures		
Arena repairs and maintenance	313	100
Compressor repairs and maintenance	4,746	1,233
Zamboni repairs and maintenance	7,123	4,123
Ice plant repairs & maintenance	1,568	9,534
Program expenses	6,681	5,589
Gas	3,507	3,530
Electricity - arena	6,768	5,920
Electricity - power plant	23,067	27,163
Wages	21,508	20,883
Capital projects - sound system	375	-
- girls dressing room	5,910	-
- arena heaters	25,098	-
- Sabres dressing room	12,011	-
	<b>118,675</b>	<b>78,075</b>
	<b>\$ (4,381)</b>	<b>\$ 61,827</b>

**SEDGEWICK AGRICULTURAL RECREATION CENTRE****STATEMENT OF OPERATIONS BY CATEGORY**

(Unaudited)

For the Year Ended August 31, 2019

	2019	2018
<b>CURLING</b>		
Income		
Lease	\$ 5,000	\$ 5,000
Share of curling lounge - 10%	4,366	2,628
Utility and repair recoveries	26,683	17,435
	<b>36,049</b>	<b>25,063</b>
Expenditures		
Curling rink repairs and maintenance	3,061	-
Gas	2,609	2,444
Electricity - curling rink	4,512	3,332
Electricity - power plant	16,501	11,659
	<b>26,683</b>	<b>17,435</b>
	<b>\$ 9,366</b>	<b>\$ 7,628</b>
<b>CONCESSION</b>		
Income	\$ 102,093	\$ 113,635
Expenditures		
Merchandise	51,435	52,426
Supplies	207	4,092
Repairs	864	1,091
Concession renovations	-	35,052
Training and fees	50	-
Wages	68,293	65,170
	<b>120,849</b>	<b>157,831</b>
	<b>\$ (18,756)</b>	<b>\$ (44,196)</b>

**SEDGEWICK AGRICULTURAL RECREATION CENTRE****STATEMENT OF OPERATIONS BY CATEGORY**

(Unaudited)

For the Year Ended August 31, 2019

	2019	2018
<b>FACILITY</b>		
Income		
Rental	\$ 17,719	\$ 12,232
Expenditures		
Facility repairs and maintenance	17,409	14,597
Capital - baseball diamond updates	-	26,557
- Dual air glider	-	698
- electrical update	4,555	-
- round tables	5,712	-
- manual push sweep	869	-
Dues and fees	400	633
Freight	-	170
Elevator	-	1,013
Security	300	300
Custodian supplies	3,305	6,521
Equipment repairs and maintenance	6,024	5,353
Travel	-	420
Insurance	165	170
Gas	12,279	14,456
Electricity	20,944	20,631
Telephone	2,236	2,269
Waste Management	1,354	1,036
Wages	61,254	46,813
	<b>136,806</b>	<b>141,637</b>
	<b>\$ (119,087)</b>	<b>\$ (129,405)</b>



**SEDGEWICK AGRICULTURAL RECREATION CENTRE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**August 31, 2019**  
(Unaudited)

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**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:

2019	Arena sound system	375
2019	Girls dressing room	5,910
2019	Arena heaters	25,098
2019	Sabres dressing room	12,011
2019	Electrical update	4,555
2019	Round tables	5,712
2019	Manual push sweep	869
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.