

Osoyoos Sun Bowl Arena
Financial Statements
December 31, 2019

Osoyoos Sun Bowl Arena
Contents
For the year ended December 31, 2019

	Page
Management's Responsibility	
Independent Auditor's Report	
Financial Statements	
Statement of Operations.....	1
Notes to the Financial Statements	2

Management's Responsibility

To the Advisory Committee of the Osoyoos Sun Bowl Arena,

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. This 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 responsibilities 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 financial statements.

The Arena's management are responsible for its financial reporting responsibilities and fulfill this responsibility by discussing relevant matters with external auditors. The Arena's management are also responsible for appointing the Arena's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Arena management to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

June 15, 2020



Chief Administrative Officer



Director of Financial Services

Independent Auditor's Report

To the Advisory Committee of the Osoyoos Sun Bowl Arena,

Opinion

We have audited the financial statements of the Osoyoos Sun Bowl Arena (the "Arena"), which comprise the the statements of operations 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 results of its operations for the year then ended December 31, 2019 in accordance with Canadian public sector accounting standards.

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

Other Matter

The financial statements of the Arena for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on May 6, 2019.

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, 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 Arena'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 Arena or to cease operations, or has no realistic alternative but to do so.

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

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 Arena'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 Arena'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 Arena 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.

Kelowna, British Columbia

June 15, 2020

MNP LLP

Chartered Professional Accountants

Osoyoos Sun Bowl Arena Statement of Operations

For the year ended December 31, 2019

	Budget (Note 3)	2019	2018
Revenue			
Regional District tax proceeds (Osoyoos - Area A)	494,406	498,352	496,492
Hockey	76,090	71,992	90,317
Figure skating	22,180	25,767	24,947
Mezzanine	36,600	20,740	16,073
Maintenance contribution	8,300	8,300	8,130
Concession	2,400	2,363	3,217
Advertising and miscellaneous	2,100	3,065	1,996
	642,076	630,579	641,172
Expenses			
Wages and benefits	369,030	417,493	389,481
Repairs and maintenance	157,630	104,803	165,032
Utilities	107,140	102,873	97,057
Administration	14,416	13,266	13,093
Office	8,560	8,135	7,156
Licences, dues and miscellaneous	5,400	4,280	4,536
Bank charges and interest	2,700	3,000	2,706
Concession	1,200	-	-
	666,076	653,851	679,061
Annual Deficit	(24,000)	(23,272)	(37,889)
Due from the Town of Osoyoos, beginning of year	-	111	7,139
Transfers from RDOS (Note 3)	24,000	24,000	30,861
Due from the Town of Osoyoos, end of year	-	839	111

Approved by:



 Sue McKentock, Mayor



 Jim Zakall, Director of Finance

The accompanying notes are an integral part of these financial statements

Osoyoos Sun Bowl Arena
Notes to the Financial Statements
For the year ended December 31, 2019

1. Basis of Presentation

The organization is a joint committee appointed by the Town of Osoyoos (the "Town") and the Regional District of Okanagan Similkameen ("RDOS"), and its principal business activity consists of the operation of an ice arena. It is the policy of the Osoyoos Sun Bowl Arena (the "Arena") to follow Canadian public sector accounting standards for British Columbia municipalities as prescribed by the Public Sector Accounting Board ("PSAB"), and to apply such provisions consistently.

2. Significant accounting policies

(a) Basis of accounting

The Arena follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Revenue recognition

Revenue from the sale of services is recognized when services are provided. The Arena recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met.

(c) Expenses

Expenses are recognized as they are incurred and measurable based on receipt of goods or services and/or the creation of a legal obligation to pay.

3. Budget data

The budget figures presented are from the Five Year Financial Plan Bylaw 2839, 2019 adopted by Directors of the Regional District of Okanagan-Similkameen (the "District") on March 7, 2019. Subsequent amendments have been approved by Council and are not reflected in the budget figures presented.

	Budget
Due from the Town of Osoyoos, beginning of year	(24,000)
Adjust for budgeted cash items not included in statement of operations	
Transfers from RDOS	24,000
Financial plan balance	-

Osoyoos Sun Bowl Arena
Notes to the Financial Statements
For the year ended December 31, 2019

4. Other financial information

The organization has not prepared a statement of financial position, statement of changes in net debt or statement of cash flows as they would not provide additional information.

5. Subsequent events

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Arena as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.