

**Osoyoos Sun Bowl Arena**  
**Financial Statements**  
*December 31, 2021*

**Osoyoos Sun Bowl Arena**  
**Contents**  
*For the year ended December 31, 2021*

---

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

## 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.

May 10, 2022

  
\_\_\_\_\_  
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 statement of operations for the year ended December 31, 2021, 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 ended December 31, 2021 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.

### 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

May 10, 2022

*MNP* LLP

Chartered Professional Accountants

# Osoyoos Sun Bowl Arena Statement of Operations

*For the year ended December 31, 2021*

	Budget (Note 2)	2021	2020
<b>Revenue</b>			
Regional District tax proceeds (Osoyoos - Area A)	580,455	<b>559,352</b>	573,005
Hockey	79,943	<b>63,295</b>	58,745
Figure skating	23,303	<b>18,753</b>	16,457
Maintenance contribution	8,721	<b>8,580</b>	8,346
Advertising and miscellaneous	2,100	<b>901</b>	1,241
Mezzanine	38,453	<b>166</b>	-
Concession	2,400	<b>125</b>	525
	<b>735,375</b>	<b>651,172</b>	658,319
<b>Expenses</b>			
Wages and benefits	383,938	<b>422,994</b>	380,628
Repairs and maintenance	196,902	<b>79,691</b>	102,752
Utilities	111,468	<b>90,940</b>	89,862
Administration	23,649	<b>13,251</b>	13,000
Office	8,906	<b>9,661</b>	6,420
Licences, dues and miscellaneous	6,503	<b>1,563</b>	3,186
Bank charges and interest	2,809	<b>1,469</b>	3,326
	<b>735,375</b>	<b>619,569</b>	599,174
Annual surplus	-	<b>31,603</b>	59,145
Due from the Town of Osoyoos, beginning of year	-	<b>54,832</b>	838
Transfers to RDOS	-	<b>(65,170)</b>	(5,151)
<b>Due from the Town of Osoyoos, end of year</b>	-	<b>21,265</b>	54,832

Approved by:

  
\_\_\_\_\_  
Sue McKortoff, Mayor

  
\_\_\_\_\_  
Jim Zakall, Director of Finance/Deputy CAO

*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, 2021

---

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.

### *Impact on operations of COVID-19 (coronavirus)*

In early March 2020 the impact of the global outbreak of COVID-19 (coronavirus) began to have 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.

The Arena's operations were impacted by COVID-19 with temporary closures and reduction in programs offered under Provincial restrictions.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Town 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. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, and increased government regulations, all of which may negatively impact the Arena's business and financial condition.

## **1. 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.

## **2. Budget data**

The budget figures presented are from the Five-Year Financial Plan Bylaw 2922, 2021 adopted by Directors of the Regional District of Okanagan-Similkameen (the "District") on March 18, 2021. Subsequent amendments have been approved by Council.

**Osoyoos Sun Bowl Arena**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2021*

---

**3. 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.