

Hockey Regina Inc
Board of Directors Meeting
Minutes
Tuesday August 28, 2018

Attendance:

Larry Wees, (Chair), Mark Burton, Rick Hagglund, Cory Shaw, Scott Tresek, Ross Johns, Joanne Merk, Christie Bjolverud, Geoff Thachuk, Trevor Mitchell, Blair Watson (Staff), Danny Fradette (Virtus Group)

Regrets: Todd Taylor, Rachielle Thackeray, Brad Hunt

1. Call to order

Larry called the meeting to order at 7:00PM.

2. Minutes

MOTION: To approve August 14 minutes. Moved Cory, Seconded Brad. CARRIED

3. 2017/18 Audited Financial Statements (Appendix A)

- Danny went over the 2017/18 audited financial statement.
- Highlights include:
 - Profit of \$55,000
 - Tangible capital assets increase due to new office build
 - Accounts payable increase due to office build billings
 - No issues with the audit

MOTION: To approve the audited financial statements as presented. Moved Rick, Seconded Mark CARRIED

4. World Junior Legacy Scholarship

- The scholarship committee went over the applicants.
- There were many good applicants
- *Motion: To award \$1,000 scholarship to Jaxon Joseph, Zack Herdzik Aiden Mack, Jenna Merk. Moved Trevor, Seconded Cory CARRIED*
- Discussion on the go forward basis, as the original funds will be depleted in the next couple years. Consensus that it would be a good idea to continue

5. Red Cross

- U of R Cougars hockey teams (Male + Female) are on board with doing the presentations again this year
- Present to the Midget AAA, AA, Bantam AA and A teams
- The office will coordinate the presentations

6. Female Bantam releases

- The office has received two requests (Samantha Thompson and Jayden Baker) for releases for Bantam aged female players to play AAA Midget.
- The office denied the releases due to HRI's policy to only grant releases to Midget aged players to play Midget AAA or Junior A. (Regulation B12)
 - B.12 Releases will only be granted to any Midget aged player upon making a Midget AAA or Junior A team. Releases will not be granted for a Midget aged player to play Junior B or C. A player does not require a release in order to attend an evaluation camp. All requests or inquiries in registering players, releases or their status must be dealt with by the HRI Office and not by coaches or managers.
- General discussion on the pros and cons of breaking away from the policy
- *MOTION: To grant the releases for Samantha Thompson and Jayden Baker. Moved Scott, Seconded Rick*
- With the Board granting the releases, discussion on the validity of keeping Regulation B12 in place
- *MOTION: To delete Regulation B12. Moved Trevor, Seconded Geoff DEFEATED*

7. Prairie Storm Pee Wee Female

- At this time Prairie Storm does not have enough players to field a Pee Wee female team.
- There are 5 skaters that would be looking to play in HRI
- PSMHA will continue to work on getting enough females to form a team. If enough are not found, they would be looking for HRI to support a concession request to SHA to allow them to play in HRI.
- Discussion on merits accepting the girls, whether to put a restriction on what level they can play
- *MOTION: To support PSMHA concession with respect to the Pee Wee girls playing in Regina. Moved Scott, Seconded Cory CARRIED*

8. Next Meeting

September 11
7:00PM @ HRI

A

HOCKEY REGINA INC.

FINANCIAL STATEMENTS

APRIL 30, 2018

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Members,

Hockey Regina Inc.

We have audited the accompanying financial statements of **Hockey Regina Inc.** which comprise the statement of financial position as at **April 30, 2018** and the statements of operations, changes in net assets 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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 Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at **April 30, 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.

August 28, 2018

Regina, Saskatchewan

Chartered Professional Accountants

HOCKEY REGINA INC.
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2018
(with comparative figures for 2017)

ASSETS		2018	2017
Current assets			
Cash	\$	788,256	\$ 574,111
Short-term investments		257,961	511,322
Accounts receivable		77,852	74,790
Furniture deposit		12,982	-
Performance bond		3,450	3,450
		<u>1,140,501</u>	<u>1,163,673</u>
Tangible capital assets (Note 3)		<u>180,634</u>	<u>5,276</u>
	\$	<u>1,321,135</u>	\$ <u>1,168,949</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	\$	139,748	\$ 31,675
Bingo vouchers payable		101,290	108,980
Deferred revenue		5,980	9,980
		<u>247,018</u>	<u>150,635</u>
NET ASSETS			
Investment in tangible capital assets		180,634	5,276
Unrestricted funds		<u>893,483</u>	<u>1,013,038</u>
		<u>1,074,117</u>	<u>1,018,314</u>
	\$	<u>1,321,135</u>	\$ <u>1,168,949</u>
Commitments			

See accompanying notes to the financial statements.

APPROVED BY:

_____ Director

_____ Director

HOCKEY REGINA INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2018
(with comparative figures for the year ended April 30, 2017)

	Investment in tangible capital assets	Unrestricted	2018	2017
Balance - beginning of year	\$ 5,276	\$ 1,013,038	\$ 1,018,314	\$ 868,993
Investment in tangible capital assets	177,844	(177,844)	-	-
Excess (deficiency) of revenues over expenses	(2,486)	58,289	55,803	149,321
Balance - end of year	<u>\$ 180,634</u>	<u>\$ 893,483</u>	<u>\$ 1,074,117</u>	<u>\$ 1,018,314</u>

See accompanying notes to the financial statements.

DRAFT

HOCKEY REGINA INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2018
(with comparative figures for the year ended April 30, 2017)

	<u>2018</u>	<u>2017</u>
Revenue		
Associate memberships	\$ 45,050	\$ 45,900
Fundraising (net) - bingo (Note 4)	36,298	74,188
Interest	12,771	5,082
Miscellaneous	6,350	7,655
Registration	2,539,594	2,524,700
Scholarship	4,000	4,000
Sponsorship	78,058	81,737
Try-outs	157,115	151,515
	<u>2,879,236</u>	<u>2,894,777</u>
Hockey activity expenses (Schedule 1)	2,456,619	2,415,812
Administrative expenses (Schedule 1)	366,814	329,644
Excess of revenue over expenses	<u>\$ 55,803</u>	<u>\$ 149,321</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2018
(with comparative figures for the year ended April 30, 2017)

	<u>2018</u>	<u>2017</u>
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenues over expenses	\$ 55,803	\$ 149,321
Items not involving cash:		
- Amortization	2,486	2,261
	<u>58,289</u>	<u>151,582</u>
Changes in non-cash operating working capital:		
Accounts receivable	(3,062)	(26,528)
Furniture deposit	(12,982)	-
Accounts payable and accrued liabilities	108,073	(11,080)
Bingo vouchers payable	(7,690)	12,675
Deferred revenue	(4,000)	(4,000)
	<u>80,339</u>	<u>(28,933)</u>
Cash provided by (used in) investing activities:		
Additions to tangible capital assets	(177,844)	-
Increase (decrease) in cash	(39,216)	122,649
Cash position - beginning of year	<u>1,085,433</u>	<u>962,784</u>
Cash position - end of year	<u>\$ 1,046,217</u>	<u>\$ 1,085,433</u>
Cash consists of:		
Cash	\$ 788,256	\$ 574,111
Short-term investments	<u>257,961</u>	<u>511,322</u>
	<u>\$ 1,046,217</u>	<u>\$ 1,085,433</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018
(with comparative figures for the year ended April 30, 2017)

1. Purpose of the organization

The Organization is incorporated under *The Non-Profit Corporations Act, 1995* of Saskatchewan without share capital and as such it is not subject to income taxes. The purpose of the Organization is to promote and organize the sport of hockey in the City of Regina.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which required management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. The financial statements reflect the following policies:

Financial instruments - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and financial liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of financial assets and financial liabilities measured at fair value are recognized in excess of revenues over expenses.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be subsequently reversed if the value improves.

Short term investments

Short term investments consist of a term deposit and is recorded at amortized cost. The term deposit bears interest at 1.20% and matures on September 25, 2018.

Tangible capital assets

Tangible capital assets are recorded on the statement of financial position at cost less accumulated amortization. Amortization for computer equipment is provided on the straight line basis over three years and equipment on a straight line basis over five years.

Hockey equipment and sweaters

Purchases of equipment and sweaters are expensed as incurred.

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018
(with comparative figures for the year ended April 30, 2017)

2. Summary of significant accounting policies (continued)

Revenue recognition

Revenue from hockey activities is recognized as services are provided, and revenue from fundraising activities is recognized when received or when earned if amounts are reasonably estimated and collection is reasonably assured.

3. Tangible capital assets

	2018		2017	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 17,886	\$ 14,852	\$ 3,034	\$ 957
Equipment	7,497	4,678	2,819	4,319
Leasehold improvements	174,781	-	174,781	-
	<u>\$ 200,164</u>	<u>\$ 19,530</u>	<u>\$ 180,634</u>	<u>\$ 5,276</u>

Leasehold improvements were under construction as of year end and thus, no amortization was taken.

4. Bingo revenue

	2018	2017
Total revenue	\$ 202,353	\$ 250,698
Deduct: allocation to member teams	(166,055)	(176,510)
Net bingo revenue	<u>\$ 36,298</u>	<u>\$ 74,188</u>

5. Commitments

The Organization leases premises under an agreement requiring aggregate minimum payments over the next five years as follows:

2019	\$ 63,300
2020	65,200
2021	67,200
2022	69,200
2023	71,300

The Organization has contracted third parties to provide project management and construction services for construction of leasehold improvements. The remaining amount to be paid under these contracts is approximately \$260,000.

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2018
(with comparative figures for the year ended April 30, 2017)

6. Financial risk management

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Organization is exposed are:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk on accounts receivable. The Organization incurred insignificant bad debt expense during the past three years.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the receipt of funds from its operations and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Organization's financial obligations.

HOCKEY REGINA INC.
SCHEDULE OF HOCKEY ACTIVITY AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED APRIL 30, 2018
(with comparative figures for the year ended April 30, 2017)

SCHEDULE 1

	<u>2018</u>	<u>2017</u>
Hockey activity expenses		
Association fees	\$ 3,800	\$ 3,550
Clinics (net of cost recoveries)	19,621	25,500
Contract services	82,610	79,355
Fees - SHA	150,216	138,400
Ice rental	1,664,276	1,597,086
Referees and timekeepers	366,376	356,538
Scholarship	4,000	4,000
Trophies and awards	7,186	10,519
Uniforms and equipment	158,534	200,864
	<u>\$ 2,456,619</u>	<u>\$ 2,415,812</u>
Administrative expenses		
Advertising and promotion	\$ 21,064	\$ 23,443
Amortization	2,486	2,261
Bank charges and interest	6,122	6,131
Insurance	6,534	5,119
Meetings	13,455	9,357
Office	15,210	14,916
Professional fees	10,009	9,972
Rent	24,633	24,633
Telephone and fax	15,821	15,369
Wages and benefits	251,480	218,443
	<u>\$ 366,814</u>	<u>\$ 329,644</u>