

**Hockey Regina Inc**  
**Board of Directors Meeting**  
**Minutes**  
**Tuesday August 20, 2019**

**Attendance:**

Trevor Mitchell (Chair), Christie Bjolverud, Mark Burton, Cory Shaw, Scott Tresek, Geoff Thachuk, Dave Diwold, Ross Johns, Larry Wees, Shauna Schell, Blair Watson (Staff), Danny Fradette (Virtus Group)

**Regrets:** Rachielle Thackeray, Becky Palandri, Sean Kilback

**1. Call to order**

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

**2. Minutes**

*MOTION: To approve the June 25 minutes. Moved Geoff, Seconded Mark CARRIED*

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

- Danny went over the 2018/19 audited financial statement.
- Highlights include:
  - Loss of \$38,000
  - Tangible capital assets increase due to new office build completion
  - Accounts payable increase due to ice bill paid in June
  - Bank charges increase as we collected a portion of HRI fee upfront
  - Rent increase due to new office
  - No issues with the audit

*MOTION: To approve the audited financial statements as presented. Moved Ross, Seconded Geoff CARRIED*

**4. SHA Rep**

- Jon Golden has resigned as a Zone 2 (Regina) rep on the SHA Board
- Keith Jeannott has expressed interest in assuming the position
- Trevor will contact Keith to discuss the opening

5. **Bantam AA Goalies (Male + Female)**

- Female Bantam is short goalies.
- The potential is that the male side will also be short goalies as this age group was short 2 years ago in Pee Wee
- To run an effective AA program, the need is that they have 2 goalies
- *MOTION: To place two goalies on all AA Bantam teams, regardless of number of overall goalies in that division. Moved Dave, Seconded Ross CARRIED*
- It is noted that Scott abstained from voting.

6. **Other**

- Midget AAA Rebels logo
  - The Midget AAA Rebels approached Trevor about changing their logo
  - General discussion on the investment that HRI made last year in branding the female teams "Rebels" and the merits of a logo change
  - *MOTION: To allow the AAA Rebels to change their logo. Moved Geoff, Seconded Dave DEFEATED*

7. **Next Meeting**

Sept 3

7:00PM @ HRI

**HOCKEY REGINA INC.**

**FINANCIAL STATEMENTS**

**APRIL 30, 2019**

DRAFT

## INDEPENDENT AUDITORS' REPORT

**To the Members,  
Hockey Regina Inc.**

### *Opinion*

We have audited the financial statements of **Hockey Regina Inc.**, which comprise the statement of financial position as at April 30, 2019, and the statements of operations, changes in net assets and cash flows 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 financial position of the Organization as at April 30, 2019, and its financial performance and cash flows for the year then ended in accordance with .

### *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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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 , 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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.



## **INDEPENDENT AUDITORS' REPORT continued**

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 Organization'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 Organization'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 Organization 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**August 20, 2019**  
**Regina, Saskatchewan**

**Chartered Professional Accountants**

**HOCKEY REGINA INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT APRIL 30, 2019**  
(with comparative figures for 2018)

<b>ASSETS</b>		
	<u>2019</u>	<u>2018</u>
<b>Current assets</b>		
Cash	\$ 1,578,761	\$ 788,256
Short-term investments	-	257,961
Accounts receivable	40,643	77,852
Furniture deposit	-	12,982
Performance bond	1,500	3,450
	<u>1,620,904</u>	<u>1,140,501</u>
<b>Tangible capital assets (Note 3)</b>	<u>589,422</u>	<u>180,634</u>
	<u>\$ 2,210,326</u>	<u>\$ 1,321,135</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 992,334	\$ 139,748
Bingo vouchers payable	106,420	101,290
Deferred revenue	1,980	5,980
Deferred revenue - tangible capital assets	73,750	-
	<u>1,174,484</u>	<u>247,018</u>
<b>NET ASSETS</b>		
<b>Investment in tangible capital assets</b>	515,672	180,634
<b>Unrestricted funds</b>	<u>520,170</u>	<u>893,483</u>
	<u>1,035,842</u>	<u>1,074,117</u>
	<u>\$ 2,210,326</u>	<u>\$ 1,321,135</u>
<b>Commitments</b>		

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, 2019**  
(with comparative figures for the year ended April 30, 2018)

	Investment in tangible capital assets	Unrestricted	2019	2018
Balance - beginning of year	\$ 180,634	\$ 893,483	\$ 1,074,117	\$ 1,018,314
Excess (deficiency) of revenues over expenses	(18,595)	(19,680)	(38,275)	55,803
Investment in tangible capital assets	427,383	(427,383)	-	-
Deferred revenue for tangible capital assets	(73,750)	73,750	-	-
Balance - end of year	<u>\$ 515,672</u>	<u>\$ 520,170</u>	<u>\$ 1,035,842</u>	<u>\$ 1,074,117</u>

See accompanying notes to the financial statements.

**HOCKEY REGINA INC.**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED APRIL 30, 2019**  
(with comparative figures for the year ended April 30, 2018)

	<u>2019</u>	<u>2018</u>
<b>Revenue</b>		
Associate memberships	\$ 47,850	\$ 45,050
Fundraising (net) - bingo (Note 4)	435	36,298
Interest	27,882	12,771
Miscellaneous	9,624	6,350
Registration	2,593,372	2,539,594
Scholarship	4,000	4,000
Sponsorship	77,377	78,058
Try-outs	176,920	157,115
	<u>2,937,460</u>	<u>2,879,236</u>
<b>Hockey activity expenses (Schedule 1)</b>	2,437,562	2,456,619
<b>Administrative expenses (Schedule 1)</b>	538,173	366,814
<b>Excess of revenue over expenses</b>	<u>\$ (38,275)</u>	<u>\$ 55,803</u>

See accompanying notes to the financial statements.



**HOCKEY REGINA INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED APRIL 30, 2019**  
(with comparative figures for the year ended April 30, 2018)

	<u>2019</u>	<u>2018</u>
<b>Cash provided by (used in) operating activities:</b>		
Excess (deficiency) of revenues over expenses	\$ (38,275)	\$ 55,803
Items not involving cash:		
- Amortization	18,595	2,486
	<u>(19,680)</u>	<u>58,289</u>
<b>Changes in non-cash operating working capital:</b>		
Accounts receivable	37,209	(3,062)
Furniture deposit	12,982	(12,982)
Performance bond	1,950	-
Accounts payable and accrued liabilities	852,586	108,073
Bingo vouchers payable	5,130	(7,690)
Warranty reserve	(4,000)	5,980
Deferred revenue	73,750	(9,980)
	<u>979,607</u>	<u>74,359</u>
<b>Cash provided by (used in) investing activities:</b>		
Additions to tangible capital assets	<u>(427,383)</u>	<u>(177,844)</u>
<b>Increase (decrease) in cash</b>	532,544	(45,196)
<b>Cash position - beginning of year</b>	<u>1,046,217</u>	<u>1,085,433</u>
<b>Cash position - end of year</b>	<u>\$ 1,578,761</u>	<u>\$ 1,040,237</u>
<b>*** STATEMENT OF CASH FLOWS DOES NOT BALANCE ***</b>		
<b>Cash consists of:</b>		
Cash	\$ 1,578,761	\$ 788,256
Short-term investments	<u>-</u>	<u>257,961</u>
	<u>\$ 1,578,761</u>	<u>\$ 1,046,217</u>

See accompanying notes to the financial statements.

**HOCKEY REGINA INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2019**  
**(with comparative figures for the year ended April 30, 2018)**

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**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.

**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. Leasehold improvements are amortized on a straight line basis over the term of the lease.

**Hockey equipment and sweaters**

Purchases of equipment and sweaters are expensed as incurred.

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**HOCKEY REGINA INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2019**  
(with comparative figures for the year ended April 30, 2018)

2. Summary of significant accounting policies (continued)

Revenue recognition

Registration fees and sponsorships are recognized over the hockey season, which begins and ends within the Organization's fiscal year. Try-out revenues are recognized when the activities occur. Interest is recognized as it is earned. Contributions for tangible capital assets are deferred and recognized into revenue on the same basis as the asset is amortized. Fundraising revenues are recognized as the activities occur and collection is reasonably assured. Other revenues are recorded in the period the amounts are earned.

3. Tangible capital assets

	2019		2018	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 27,949	\$ 17,999	\$ 9,950	\$ 3,034
Equipment	36,453	11,968	24,485	2,819
Leasehold improvements	564,394	9,407	554,987	174,781
	<u>\$ 628,796</u>	<u>\$ 39,374</u>	<u>\$ 589,422</u>	<u>\$ 180,634</u>

4. Bingo revenue

	2019	2018
Total revenue	\$ 165,030	\$ 186,629
Deduct: allocation to member teams	(164,595)	(166,055)
Net bingo revenue	<u>\$ 435</u>	<u>\$ 20,574</u>

5. Commitments

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

2020	\$ 75,100
2021	77,300
2022	79,700
2023	82,000
2024	84,500



**HOCKEY REGINA INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED APRIL 30, 2019**  
**(with comparative figures for the year ended April 30, 2018)**

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**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.

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**HOCKEY REGINA INC.**  
**SCHEDULE OF HOCKEY ACTIVITY AND ADMINISTRATIVE EXPENSES**  
**FOR THE YEAR ENDED APRIL 30, 2019**  
(with comparative figures for the year ended April 30, 2018)

**SCHEDULE 1**

	<u>2019</u>	<u>2018</u>
<b>Hockey activity expenses</b>		
Association fees	\$ 4,775	\$ 3,800
Clinics (net of cost recoveries)	19,438	19,621
Contract services	87,093	82,610
Fees - SHA	169,517	150,216
Ice rental	1,598,419	1,664,276
Referees and timekeepers	323,161	366,376
Scholarship	4,000	4,000
Trophies and awards	8,262	7,186
Uniforms and equipment	222,897	158,534
	<u>\$ 2,437,562</u>	<u>\$ 2,456,619</u>
<b>Administrative expenses</b>		
Advertising and promotion	\$ 25,155	\$ 21,064
Amortization	18,595	2,486
Bank charges and interest	40,350	6,122
Insurance	7,486	6,534
Meetings	14,789	13,455
Office	26,628	15,210
Professional fees	10,354	10,009
Rent	69,340	24,633
Telephone and fax	15,113	15,821
Wages and benefits	310,363	251,480
	<u>\$ 538,173</u>	<u>\$ 366,814</u>