

Hockey Regina Inc
Board of Directors Meeting
Minutes
Tuesday September 1

Attendance:

Scott Tresek (Chair), Cory Shaw, Becky Palandri, Jason Young, Dave Diewold, Darren Johnson, Bill Semchuk, Krista Strueby, Michele-Ellingsen Ailsby, Jesslyn Gyurek, Jamie Schwartz, Sean Kilback, Blair Watson (Staff), Sheila Fillion (Virtus Group)

Regrets: Chelsey Bumphrey

1. Call to order

Scott called the meeting to order at 7:06PM.

2. Approval of previous minutes

- *MOTION: To approve the August 17 Board minutes. Moved Darren, Seconded Jamie CARRIED*

3. 2020/21 Audited Financial statements (Appendix A)

- Sheila went over the 2020/21 audited financial statements
- Highlights include:
 - Loss of \$22,000
 - Government pandemic grant of \$10,000
 - No associate membership revenue
 - Registration lower due to refunds associated with COVID
 - Ice and referee cost decrease due to COVID
 - Uniforms/equipment expense back to normal after down the previous year
 - HRI is in a good financial position going forward
 - No issues with the audit

MOTION: To approve the audited financial statements as presented. Moved Jason, Seconded Bill CARRIED

4. Age advancement applications

- Carter Hepting and Rylan Edwards, both U11A players, applied to be evaluated at the U13AA level
- The Executive met and they support their applications
MOTION: To allow Carter Hepting and Rylan Edwards to evaluate at the U13AA level. Moved Jason, Seconded Jamie, CARRIED

5. City of Regina facility restrictions

- The City of Regina announced that effective September 4, masks will be mandatory in all City owned facilities, this includes the Co-operators Centre
- Scott has had discussion with Councilors with respect to the policy. We are pushing for on-ice to be exempt from wearing the mask.
- We will know more within the next couple of days
- Also the City announced their intention to make vaccination mandatory to enter their facilities which includes Co-operators.
- Currently the exact roll-out plans are up in the air. Scott indicated that it is 100% certain that the vaccination requirement will be coming in, just a matter of when and what it will entail.
- As we find our more information, we will pass it along to the Board and the membership.
- A discussion on players that maybe seeking their release from HRI because of the vaccination policy. The Board will not be making any adjustment to our release policy, in that releases are only granted for U18 players to play U18AAA or Junior A.

6. Other

- Blair handed out the registration numbers as of August 30. (Appendix B). We are behind in U7, U9 and U11. All other division are looking good.

7. Next Meeting

September 14
7:00PM

HOCKEY REGINA INC.

FINANCIAL STATEMENTS

APRIL 30, 2021

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, 2021, 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, 2021, 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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.

INDEPENDENT AUDITORS' REPORT continued

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 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 31, 2021
Regina, Saskatchewan

Chartered Professional Accountants

HOCKEY REGINA INC.
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2021
(with comparative figures for 2020)

ASSETS		
	<u>2021</u>	<u>2020</u>
Current assets		
Cash	\$ 1,035,965	\$ 1,010,954
Accounts receivable	5,014	13,187
Performance bond deposits	1,500	1,500
	<u>1,042,479</u>	<u>1,025,641</u>
Tangible capital assets (Note 3)	<u>476,854</u>	<u>545,617</u>
	<u><u>\$ 1,519,333</u></u>	<u><u>\$ 1,571,258</u></u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 38,123	\$ 50,958
Bingo vouchers payable	36,755	75,230
Deferred revenue - tangible capital assets (Note 4)	63,572	71,761
	<u>138,450</u>	<u>197,949</u>
Long-term debt (Note 5)	<u>30,000</u>	<u>-</u>
	<u>168,450</u>	<u>197,949</u>
NET ASSETS		
Investment in tangible capital assets	413,282	465,667
Unrestricted funds	937,601	907,642
	<u>1,350,883</u>	<u>1,373,309</u>
	<u><u>\$ 1,519,333</u></u>	<u><u>\$ 1,571,258</u></u>
Commitments (Note 7)		

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, 2021
(with comparative figures for the year ended April 30, 2020)

	Investment in tangible capital assets	Unrestricted	2021	2020
Balance - beginning of year	\$ 465,667	\$ 907,642	\$ 1,373,309	\$ 1,035,842
Excess (deficiency) of revenues over expenses	(68,763)	46,337	(22,426)	337,467
Interfund transfers	16,378	(16,378)	-	-
Balance - end of year	<u>\$ 413,282</u>	<u>\$ 937,601</u>	<u>\$ 1,350,883</u>	<u>\$ 1,373,309</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2021
(with comparative figures for the year ended April 30, 2020)

	<u>2021</u>	<u>2020</u>
Revenue		
Associate memberships	\$ -	\$ 32,300
Fundraising (net) - bingo (Note 6)	60,998	17,380
Government pandemic grants and subsidy	10,000	-
Ice rental revenue	65,388	316,789
Interest	4,448	29,872
Miscellaneous	24,602	19,407
Registration	2,265,336	2,773,890
Rental income	16,709	15,829
Sponsorship	51,760	65,642
Try-outs	214,305	215,775
	<u>2,713,546</u>	<u>3,486,884</u>
Hockey activity expenses (Schedule 1)	2,150,220	2,540,415
Administrative expenses (Schedule 1)	<u>585,752</u>	<u>609,002</u>
Excess (deficiency) of revenue over expenses	<u>\$ (22,426)</u>	<u>\$ 337,467</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2021
(with comparative figures for the year ended April 30, 2020)

	<u>2021</u>	<u>2020</u>
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenues over expenses	\$ (22,426)	\$ 337,467
Items not involving cash:		
- Amortization	68,763	70,557
- Amortization of deferred revenue - tangible capital assets	(8,189)	(8,189)
	<u>38,148</u>	<u>399,835</u>
Changes in non-cash operating working capital:		
Accounts receivable	8,173	27,456
Accounts payable and accrued liabilities	17,165	(941,376)
Bingo vouchers payable	(38,475)	(31,190)
Deferred revenue	-	(1,980)
	<u>(13,137)</u>	<u>(947,090)</u>
Cash provided by (used in) investing activities:		
Additions to tangible capital assets	-	(26,752)
Cash provided by (used in) financing activities:		
Increase in deferred revenue - tangible capital assets	-	6,200
Increase (decrease) in cash	25,011	(567,807)
Cash position - beginning of year	<u>1,010,954</u>	<u>1,578,761</u>
Cash position - end of year	<u><u>\$ 1,035,965</u></u>	<u><u>\$ 1,010,954</u></u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2021
(with comparative figures for the year ended April 30, 2020)

1. Purpose of the organization

Hockey Regina Inc. (the "Organization") promotes and organizes the sport of hockey in the City of Regina. 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.

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.

Inventory - hockey equipment and sweaters

All inventory purchases of equipment and sweaters are expensed as incurred.

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 REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2021
(with comparative figures for the year ended April 30, 2020)

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

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 27,949	\$ 26,188	\$ 1,761	\$ 5,618
Equipment	36,453	24,870	11,583	17,374
Leasehold improvements	591,146	127,636	463,510	522,625
	<u>\$ 655,548</u>	<u>\$ 178,694</u>	<u>\$ 476,854</u>	<u>\$ 545,617</u>

4. Deferred revenue - tangible capital assets

Deferred contributions related to tangible capital assets represent the unamortized portion of restricted contributions that were used to purchase assets.

	2021	2020
Balance, beginning of year	\$ 71,761	\$ 73,750
Capital funding received during the year	-	6,200
Amount recognized as revenue	<u>(8,189)</u>	<u>(8,189)</u>
Balance, end of year	<u>\$ 63,572</u>	<u>\$ 71,761</u>

5. Long-term debt

Canada Emergency Business Account (CEBA) loan bearing interest at 0% and is unsecured. If the loan is not repaid before December 31, 2022, the full \$40,000 borrowed will be repayable to the Government of Canada. Any unpaid balance at December 31, 2022 will be converted to a term loan, with interest and payments to be determined at that time.

	2021	2020
	\$ 30,000	\$ -

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2021
(with comparative figures for the year ended April 30, 2020)

6. Bingo revenue

	<u>2021</u>	<u>2020</u>
Total revenue	\$ 111,268	\$ 139,885
Deduct: allocation to member teams	<u>(50,270)</u>	<u>(122,505)</u>
Net bingo revenue	<u>\$ 60,998</u>	<u>\$ 17,380</u>

7. Commitments

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

2022	\$ 79,700
2023	82,000
2024	84,500
2025	87,000
2026	89,700

8. 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.

9. Significant event

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Organization is following health advisories and mandatory requirements from local, provincial and national health and government organizations. The Organization ended the 2020 hockey season in mid March 2020, and offered a modified season for 2020/2021. The future impact of the pandemic on the Organization's operations and finances, if any, is unknown at this time.

HOCKEY REGINA INC.
SCHEDULE OF HOCKEY ACTIVITY AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED APRIL 30, 2021
(with comparative figures for the year ended April 30, 2020)

SCHEDULE 1

	<u>2021</u>	<u>2020</u>
Hockey activity expenses		
Association fees	\$ 300	\$ 4,800
Clinics (net of cost recoveries)	4,563	24,757
Contract services	119,174	91,883
Fees - Saskatchewan Hockey Association	163,373	163,088
Ice rental	1,568,421	1,846,713
Referees and timekeepers	52,835	294,000
Trophies and awards	7,125	17,021
Uniforms and equipment	234,429	98,153
	<u>\$ 2,150,220</u>	<u>\$ 2,540,415</u>
Administrative expenses		
Advertising and promotion	\$ 10,659	\$ 27,303
Amortization	68,763	70,557
Bank charges and interest	48,937	49,836
Insurance	7,832	7,629
Meetings	9,350	9,184
Office	16,599	14,823
Professional fees	11,807	13,990
Rent	81,692	78,901
Telephone and fax	10,785	11,616
Wages and benefits	319,328	325,163
	<u>\$ 585,752</u>	<u>\$ 609,002</u>

Registrations

2021

	<u>Actual (Aug 30)</u>	
	<u>Skaters</u>	<u>Goalies</u>
Initiation - Coed	201	
Novice - Coed	322	
Atom - A	206	22
Atom - B	72	6
Atom - C	34	2
	312	30
Pee Wee - AA	159	20
Pee Wee - A	100	10
Pee Wee - B	49	2
Pee Wee - C	33	
	341	32
Bantam - AA	116	23
Bantam - A	84	3
Bantam - B	64	3
	264	29
Midget - AA	99	15
Midget - 15	64	8
Midget - A	40	1
Midget - B	203	24
Midget C		
Initiation - Female	33	
Novice - Female	81	
Atom - Female	69	3
Pee Wee - Female	65	6
Bantam - Female	70	7
Midget - Female	29	3
	2,124	

2020

	<u>Actual (Aug 30)</u>		<u>Final</u>	
	<u>Skaters</u>	<u>Goalies</u>	<u># teams</u>	<u># players</u>
	210		21	260
	353		9/12/10	395
	232	24	8	
	89	9	12	
	33	1	9	
	354	34	29	443
	157	27	5	
	79	10	7	
	44		8	
	15		4	
	295	37	24	405
	124	13	3	
	95	9	8	
	53	3	10	
	272	25	21	343
	102	14	3	
	63	9	6	
	33		5	
	198	23	14	258
	29		3	35
	73		7	89
	73	2	6	83
	78	3	6	94
	42	4	3	53
	31	4	3	45
	2,140			2,503