

Hockey Regina Inc
Board of Directors Meeting
Minutes
Tuesday September 13

Attendance:

Scott Tresek (Chair), Becky Palandri, Jason Young, Bill Semchuk, Darren Johnson, Krista Strueby, Sean Kilback, Dave Diewold, Cory Shaw, Jesslyn Gyurek, Chelsey Bumphrey, Michele Ellingsen-Ailsby, Blair Watson (Staff)

Regrets:

1. Call to order

Scott called the meeting to order at 6:30PM.

2. Mental Health and Wellness presentation

- Inside the box went through the mental health and wellness presentation
- Very good presentation
- Board is 100% behind the message and presentation

3. 2021/22 Audited Financial statements (Appendix A)

- Virtus Group went over the 2021/22 audited financial statements
- Highlights include:
 - Profit of \$97,000
 - Gross revenue up to \$3.5M
 - Hockey expenses just under \$2.8M
 - No Government pandemic grant of \$10,000
 - Associate membership revenue of \$32,000
 - Registration revenue back to normal levels
 - No issues with the audit

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

4. Age advancement

- Discussion on age advancement of U7 to U9 and U9 to U11
- Too late for this season.
- Need to look at it for next season

5. Notre Dame U15A

- Notre Dame is looking to place their second U15 team in HRI A division
- They feel that they will not be competitive in the SAAHL
- They want a place to play where their kids can compete

MOTION: To accept Notre Dame into the U15A division. Moved Bill, Seconded Darren, CARRIED

- This will be revisited should they be too strong for the league

6. Roster make-up/# of teams

- U11A
 - Discussion on reducing the number of teams at U11A from 8 to 7
 - Consensus is too late to make that change. This is a decision that should not be made a week before evaluations.
 - Allow Darren to adjust the roster size in U11A from 14 to 13 skaters.
- U13/U18AA Female
 - There are only 2 goalies in U18 Female for 2 teams and 5 goalies for 6 U13 Female teams
 - Traditionally we have placed 2 goalies at the AA level. This will leave teams without a goalie.
 - *MOTION: To allow Becky the flexibility to only put 1 goalie on the U13AA and U18AA teams. Moved Becky, Seconded Dave CARRIED*

7. Unsanctioned hockey

- HRI Board passed the following motion June 25, 2019:
 - *If a player plays in a non-sanctioned hockey program one season, they will be ineligible to play at the highest level in the division they are in for a minimum of one year.*
- In discussion with Hockey Sask, they feel that this motion might not be enforceable.
- *MOTION: To rescind the Motion from June 25, 2019 with respect to unsanctioned hockey. Moved Jason, Seconded Krista CARRIED*

8. Next Meeting

TBD

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HOCKEY REGINA INC.

FINANCIAL STATEMENTS

APRIL 30, 2022



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, 2022, 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, 2022, 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.

September 13, 2022
Regina, Saskatchewan

Chartered Professional Accountants

HOCKEY REGINA INC.
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2022
(with comparative figures for 2021)

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ASSETS		
	<u>2022</u>	<u>2021</u>
Current assets		
Cash	\$ 1,210,434	\$ 1,035,965
Accounts receivable	46,014	5,014
Performance bond deposits	1,500	1,500
	<u>1,257,948</u>	<u>1,042,479</u>
Tangible capital assets (Note 3)	<u>410,187</u>	<u>476,854</u>
	<u>\$ 1,668,135</u>	<u>\$ 1,519,333</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 40,250	\$ 38,123
Bingo vouchers payable	93,920	36,755
Deferred revenue - tangible capital assets (Note 4)	55,383	63,572
	<u>189,553</u>	<u>138,450</u>
Long-term debt (Note 5)	<u>30,000</u>	<u>30,000</u>
	<u>219,553</u>	<u>168,450</u>
NET ASSETS		
Investment in tangible capital assets	354,804	413,282
Unrestricted funds	1,093,778	937,601
	<u>1,448,582</u>	<u>1,350,883</u>
	<u>\$ 1,668,135</u>	<u>\$ 1,519,333</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, 2022
(with comparative figures for the year ended April 30, 2021)

Direct

	Investment in tangible capital assets	Unrestricted	2022	2021
Balance - beginning of year	\$ 413,282	\$ 937,601	\$ 1,350,883	\$ 1,373,309
Excess (deficiency) of revenues over expenses	(66,667)	164,366	97,699	(22,426)
Interfund transfers	8,189	(8,189)	-	-
Balance - end of year	<u>\$ 354,804</u>	<u>\$ 1,093,778</u>	<u>\$ 1,448,582</u>	<u>\$ 1,350,883</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2022
(with comparative figures for the year ended April 30, 2021)

	<u>2022</u>	<u>2021</u>
Revenue		
Associate memberships	\$ 32,300	\$ -
Fundraising (net) - bingo (Note 6)	(12,306)	60,998
Government pandemic grants and subsidy	-	10,000
Ice rental revenue	297,175	65,388
Interest	5,030	4,448
Miscellaneous	14,172	24,602
Registration	2,866,290	2,265,336
Rental income	17,210	16,709
Sponsorship	69,737	51,760
Try-outs	261,765	214,305
	<u>3,551,373</u>	<u>2,713,546</u>
Hockey activity expenses (Schedule 1)	2,789,321	2,150,220
Administrative expenses (Schedule 1)	<u>664,353</u>	<u>585,752</u>
Excess (deficiency) of revenue over expenses	<u>\$ 97,699</u>	<u>\$ (22,426)</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2022
(with comparative figures for the year ended April 30, 2021)

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	<u>2022</u>	<u>2021</u>
Cash provided by (used in) operating activities:		
Excess (deficiency) of revenues over expenses	\$ 97,699	\$ (22,426)
Items not involving cash:		
- Amortization	66,667	68,763
- Amortization of deferred revenue - tangible capital assets	(8,189)	(8,189)
	<u>156,177</u>	<u>38,148</u>
Changes in non-cash operating working capital:		
Accounts receivable	(41,000)	8,173
Accounts payable and accrued liabilities	2,127	17,165
Bingo vouchers payable	57,165	(38,475)
	<u>18,292</u>	<u>(13,137)</u>
Increase in cash	174,469	25,011
Cash position - beginning of year	<u>1,035,965</u>	<u>1,010,954</u>
Cash position - end of year	<u>\$ 1,210,434</u>	<u>\$ 1,035,965</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022
(with comparative figures for the year ended April 30, 2021)



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, 2022
(with comparative figures for the year ended April 30, 2021)

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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

	<u>2022</u>		<u>2021</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 27,949	\$ 27,949	\$ -	\$ 1,761
Equipment	36,453	30,662	5,791	11,583
Leasehold improvements	591,146	186,750	404,396	463,510
	<u>\$ 655,548</u>	<u>\$ 245,361</u>	<u>\$ 410,187</u>	<u>\$ 476,854</u>

4. Deferred revenue - tangible capital assets

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 63,572	\$ 71,761
Amount recognized as revenue	(8,189)	(8,189)
Balance, end of year	<u>\$ 55,383</u>	<u>\$ 63,572</u>

5. Long-term debt

	<u>2022</u>	<u>2021</u>
Canada Emergency Business Account (CEBA) loan bearing interest at 0% and is unsecured. If the loan is not repaid before December 31, 2023, the full \$40,000 borrowed will be repayable to the Government of Canada. Any unpaid balance at December 31, 2023 will be converted to a term loan, with interest and payments to be determined at that time.	\$ 30,000	\$ 30,000

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2022
(with comparative figures for the year ended April 30, 2021)

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6. Bingo revenue

	<u>2022</u>	<u>2021</u>
Total revenue	\$ 123,104	\$ 111,268
Deduct: allocation to member teams	<u>(135,410)</u>	<u>(50,270)</u>
Net bingo revenue	<u>\$ (12,306)</u>	<u>\$ 60,998</u>

7. Commitments

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

2023	\$ 82,000
2024	84,500
2025	87,000
2026	89,700
2027	92,300

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.

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HOCKEY REGINA INC.
SCHEDULE OF HOCKEY ACTIVITY AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED APRIL 30, 2022
(with comparative figures for the year ended April 30, 2021)

SCHEDULE 1

	<u>2022</u>	<u>2021</u>
Hockey activity expenses		
Association fees	\$ 5,475	\$ 300
Clinics (net of cost recoveries)	43,372	4,563
Contract services	119,973	119,174
Fees - Saskatchewan Hockey Association	142,705	163,373
Ice rental	1,864,800	1,568,421
Referees and timekeepers	327,213	52,835
Trophies and awards	14,435	7,125
Uniforms and equipment	271,348	234,429
	<u>\$ 2,789,321</u>	<u>\$ 2,150,220</u>
Administrative expenses		
Advertising and promotion	\$ 30,254	\$ 10,659
Amortization	66,667	68,763
Bank charges and interest	60,698	48,937
Insurance	8,261	7,832
Meetings	14,680	9,350
Office	22,583	16,599
Professional fees	12,511	11,807
Rent	84,149	81,692
Telephone and fax	13,403	10,785
Wages and benefits	351,147	319,328
	<u>\$ 664,353</u>	<u>\$ 585,752</u>