

Hockey Regina Inc
Board of Directors Meeting
Minutes
Tuesday September 13

Attendance:

Cory Shaw (Chair), Becky Palandri, Jason Young, Krista Strueby, Sean Kilback, Dave Diewold, Darcy Olynyk, Chelsey Bumphrey, Michele Ellingsen-Ailsby, Kayla Edgerton, Garnett Volk, Blair Watson (Staff)

Regrets: Bill Semchuk

1. Call to order

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

2. Approval of minutes

- *MOTION: To approve the June 28 and August 29 minutes. Moved Sean, Seconded Darcy. CARRIED*

3. 2022/23 Audited Financial statements (Appendix A)

- Virtus Group went over the 2022/23 audited financial statements
- Highlights include:
 - Profit of \$121,000
 - Gross revenue up to \$3.5M
 - Hockey expenses of \$2.6M
 - Interest income of \$77,000
 - No issues with the audit

MOTION: To approve the audited financial statements as presented. Moved Kayla, Seconded Garnett CARRIED

4. Strategic planning

- A proposal has been received from N2K consulting
- General discussion on the scope of the strategic plan
- N2K to be invited to make presentation at next Board meeting

5. Female U13AA team fees

- The Female U13AA team fees were initially based on them playing in the U13A HRI division
- With them playing in the SaskFHL U13AA division, they are looking to increase the team fees closer to the U13AA mixed team fees.

MOTION: To increase the Female U13AA team fees by \$100. Moved Darcy, Seconded Becky CARRIED. Krista voted against the motion

6. Board positions

- *MOTION: To appoint Michelle as Vice-President. Moved Chelsey, Seconded Garnett CARRIED*

7. HRI Regulation E. Team Regulations

- The Board went through the regulation in detail

8. Terms of Reference

- Blair to send the current Terms of Reference to Garnett.

9. Player advancement

- Cory has received a request for a U15 player to move up to U18B
MOTION: To allow the U15 player to move up to U18B. Moved Jason, Seconded Sean. DEFEATED

10. Director reports

- U15 – The AA teams have been formed

11. In camera session

12. Next Meeting

Oct 3



HOCKEY REGINA INC.

FINANCIAL STATEMENTS

April 30, 2023

DRAFT

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Hockey Regina Inc.** have been prepared by the Organization's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.

Cory Shaw
President

Blair Watson
Executive Director

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, 2023, 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, 2023, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Auditor's 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 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.

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.

DRAFT

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 12, 2023
Regina, Saskatchewan

Chartered Professional Accountants

DRAFT

HOCKEY REGINA INC.
STATEMENT OF FINANCIAL POSITION
AS AT APRIL 30, 2023
(with comparative figures for 2022)

<u>ASSETS</u>		2023	2022
Current assets			
Cash	\$	623,673	\$ 1,210,434
Investments (Note 3)		750,000	-
Accounts receivable		79,277	46,014
Performance bond deposits		1,500	1,500
		<u>1,454,450</u>	<u>1,257,948</u>
Tangible capital assets (Note 4)			
		<u>345,281</u>	<u>410,187</u>
	\$	<u>1,799,731</u>	\$ <u>1,668,135</u>
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable and accrued liabilities	\$	53,409	\$ 40,250
Bingo vouchers payable		98,950	93,920
Deferred revenue - tangible capital assets (Note 5)		47,194	55,383
Current portion of long-term debt (Note 6)		30,000	-
		<u>229,553</u>	<u>189,553</u>
Long-term debt (Note 6)			
		<u>-</u>	<u>30,000</u>
		<u>229,553</u>	<u>219,553</u>
<u>NET ASSETS</u>			
Investment in tangible capital assets		298,087	354,804
Unrestricted funds		<u>1,272,091</u>	<u>1,093,778</u>
		<u>1,570,178</u>	<u>1,448,582</u>
	\$	<u>1,799,731</u>	\$ <u>1,668,135</u>
Commitments (Note 8)			

See accompanying notes to the financial statements.

Approved on behalf of the board:

DRAFT

HOCKEY REGINA INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2023
(with comparative figures for the year ended April 30, 2022)

	Investment in tangible capital assets	Unrestricted	2023	2022
Balance - beginning of year	\$ 354,804	\$ 1,093,778	\$ 1,448,582	\$ 1,350,883
Excess revenue over expenses	(64,906)	186,502	121,596	97,699
Interfund transfers	8,189	(8,189)	-	-
Balance - end of year	<u>\$ 298,087</u>	<u>\$ 1,272,091</u>	<u>1,570,178</u>	<u>1,448,582</u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2023
(with comparative figures for the year ended April 30, 2022)

DRAFT

	2023	2022
Revenue		
Associate memberships	\$ 35,700	\$ 32,300
Fundraising - bingo (Note 7)	7,378	(12,306)
Ice rental revenue	327,115	297,175
Interest	77,728	5,030
Miscellaneous	14,063	14,172
Registration	3,001,712	2,866,290
Rental income	17,210	17,210
Sponsorship	45,373	69,737
Try-outs	300,345	261,765
	<u>3,826,624</u>	<u>3,551,373</u>
 Hockey activity expenses (Schedule 1)	 2,970,632	 2,789,321
 Administrative expenses (Schedule 1)	 <u>734,396</u>	 <u>664,353</u>
 Excess of revenue over expenses	 <u><u>\$ 121,596</u></u>	 <u><u>\$ 97,699</u></u>

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2023
(with comparative figures for the year ended April 30, 2022)

DRAFT

	2023	2022
Cash provided by (used in) operating activities:		
Excess of revenue over expenses	\$ 121,596	\$ 97,699
Items not involving cash:		
Amortization	64,906	66,667
Amortization of deferred revenue - tangible capital assets	(8,189)	(8,189)
	178,313	156,177
Changes in non-cash operating working capital		
Accounts receivable	(33,263)	(41,000)
Accounts payable and accrued liabilities	13,159	2,127
Bingo vouchers payable	5,030	57,165
	163,239	174,469
Cash provided by (used in) investing activities		
Additions to investments	(750,000)	-
	(750,000)	-
Increase (decrease) in cash	(586,761)	174,469
Cash position - beginning of year	1,210,434	1,035,965
Cash position - end of year	\$ 623,673	\$ 1,210,434

See accompanying notes to the financial statements.

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023
(with comparative figures for the year ended April 30, 2022)

DRAFT

1. Nature of operations

Hockey Regina Inc. (the "Organization") continues incorporation under *The Non-Profit Corporations Act, 2022* in the province of Saskatchewan. The Organization promotes and organizes the sport of hockey in the City of Regina. The Organization is exempt from income tax under Section 149(1)(l) of *The Income Tax Act*.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements 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 accounting 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 instruments 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 value of financial instruments measured at fair value are recognized in the excess of revenues over expenses. When there is an indication of impairment the carrying amount of financial assets measured at amortized cost may be reduced. Such impairments can be subsequently reversed if the value improves.

The Organization's recognized financial instruments consist of cash, investments, accounts receivable, performance bond deposits, accounts payable, accrued liabilities and long term debt. The fair value of the items approximate cost

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 is amortized on a straight line basis over five years. Leasehold improvements are amortized on a straight line basis over the term of the lease.

All purchases of hockey equipment and sweaters are expensed as items are distributed to teams.

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.

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023
(with comparative figures for the year ended April 30, 2022)

DRAFT

3. Investments

Investments consists of two guaranteed investment certificates which bear interest at 3.05% and 3.25% and mature June 27, 2023.

4. Tangible capital assets

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 27,949	\$ 27,949	\$ -	\$ -
Equipment	36,453	36,453	-	5,791
Leasehold improvements	591,146	245,865	345,281	404,396
	<u>\$ 655,548</u>	<u>\$ 310,267</u>	<u>\$ 345,281</u>	<u>\$ 410,187</u>

5. Deferred revenue - tangible capital assets

	2023	2022
Balance, beginning of year	\$ 55,383	\$ 63,572
Amount recognized as revenue	(8,189)	(8,189)
Balance, end of year	<u>47,194</u>	<u>55,383</u>

6. Long-term debt

	2023	2022
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 convert to a term loan, with interest and payments to be determined at that time.	\$ 30,000	\$ 30,000
Current portion	(30,000)	-
Long term portion	<u>\$ -</u>	<u>\$ 30,000</u>

7. Bingo revenue

	2023	2022
Total revenue	\$ 140,733	\$ 123,104
Deduct: allocation to member teams	(133,355)	(135,410)
Net bingo revenue	<u>\$ 7,378</u>	<u>\$ (12,306)</u>

8. Commitment

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

2024	\$ 84,500
2025	87,000
2026	89,700
2027	92,300
2028	95,000

DRAFT

HOCKEY REGINA INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED APRIL 30, 2023
(with comparative figures for the year ended April 30, 2022)

9. 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 its accounts receivable. The Organization did not incur bad debt expense in recent 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.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 2023
(with comparative figures for the year ended April 30, 2022)

DRAFT

Schedule 1

	2023	2022
Hockey activity expenses		
Association fees	\$ 5,200	\$ 5,475
Clinics (net of cost recoveries)	67,292	43,372
Contract services	155,522	119,973
Fees - Saskatchewan Hockey Association	147,828	142,705
Ice rental	1,961,609	1,864,800
Referees and timekeepers	352,408	327,213
Trophies and awards	19,890	14,435
Uniforms and equipment	260,883	271,348
	<u>\$ 2,970,632</u>	<u>\$ 2,789,321</u>
Administrative expenses		
Advertising and promotion	\$ 42,176	\$ 30,254
Amortization	64,906	66,667
Bank charges	74,482	60,698
Insurance	7,723	8,261
Meetings	9,974	14,680
Office	18,806	22,583
Professional fees	44,214	12,511
Rent	86,580	84,149
Telephone	15,338	13,403
Wages and benefits	370,197	351,147
	<u>\$ 734,396</u>	<u>\$ 664,353</u>