

**Regina Minor Football 2000 Inc.**  
**Financial Statements**  
*December 31, 2021*

## **Management's Responsibility**

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To the Members of Regina Minor Football 2000 Inc.:


Management is responsible for the preparation and fair presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of members who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 19, 2022

 Signed by Leonard Antonini  
2022-05-19 11:51:45:45 CST

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Executive Director

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## Independent Auditor's Report

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To the Members of Regina Minor Football 2000 Inc.:

### Qualified Opinion

We have audited the financial statements of Regina Minor Football 2000 Inc. (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets, cash flows and supporting schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021, 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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives part of its revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to the revenues mentioned above, surplus of revenues over expenses, assets and net assets.

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 Canada, 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 qualified 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 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.

### 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 timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

May 19, 2022

*MNP* LLP

Chartered Professional Accountants

**Regina Minor Football 2000 Inc.**  
**Statement of Financial Position**

*As at December 31, 2021*

	<b>2021</b>	2020 <i>(Restated)</i>
<b>Assets</b>		
<b>Current</b>		
Cash	226,483	322,087
Cash held in trust <i>(Note 3)</i>	280,178	339,413
Inventory for resale <i>(Note 4)</i>	24,300	28,259
	<b>530,961</b>	689,759
<b>Capital assets</b> <i>(Note 5)</i>	<b>4,041,152</b>	4,169,792
	<b>4,572,113</b>	4,859,551
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	14,140	54,450
Deferred contributions related to capital assets <i>(Note 6)</i>	128,042	113,270
Demand Loan <i>(Note 7)</i>	999,000	1,125,000
	<b>1,141,182</b>	1,292,720
<b>Long-term debt</b> <i>(Note 8)</i>	<b>40,000</b>	30,000
<b>Deferred contributions - amounts held in trust</b> <i>(Note 3)</i>	<b>280,178</b>	339,413
<b>Deferred contributions related to capital assets</b> <i>(Note 6)</i>	<b>2,439,095</b>	2,531,910
	<b>3,900,455</b>	4,194,043
<b>Net Assets</b>	<b>671,658</b>	665,508
	<b>4,572,113</b>	4,859,551

Approved on behalf of the Board



Director



Director

*The accompanying notes are an integral part of these financial statements*

**Regina Minor Football 2000 Inc.**  
**Statement of Operations**  
*For the year ended December 31, 2021*

	2021	2020
<b>Revenue (Schedule 1)</b>		
Contributions	243,019	222,276
Fundraising	144,672	99,384
Memberships	349,299	239,140
Rental income	21,326	17,749
	<b>758,316</b>	<b>578,549</b>
<b>Other revenue</b>		
Sale of goods	25,215	12,354
Cost of goods sold	(21,164)	(9,816)
	<b>4,051</b>	<b>2,538</b>
<b>Total revenue</b>	<b>762,367</b>	<b>581,087</b>
<b>Expenses</b>		
Amortization	208,372	187,062
Administrative	146,870	142,488
Cost of 50/50 sales	58,547	43,264
Game officials	46,360	31,130
Spring league	41,806	6,984
Football Saskatchewan registration	40,176	27,744
Equipment room	39,699	31,683
Interest on long-term debt	38,334	53,338
HQ Facility Operations	34,531	7,795
Fields	20,836	15,486
Donations and promotions	17,803	8,337
U16 program	15,287	-
Travel	13,062	1,655
Insurance	12,465	11,337
Streaming services	9,421	23,288
Telephone	6,858	6,226
Coaches development	6,730	5,300
Professional fees	5,083	5,889
Property tax	3,067	-
Bank charges and interest	725	1,447
Repairs and maintenance	185	-
<b>Total expenses</b>	<b>766,217</b>	<b>610,453</b>
<b>Deficiency of revenue over expenses before other items</b>	<b>(3,850)</b>	<b>(29,366)</b>
<b>Other items</b>		
Government assistance	10,000	26,940
<b>Deficiency of revenue over expenses</b>	<b>6,150</b>	<b>(2,426)</b>

*The accompanying notes are an integral part of these financial statements*

**Regina Minor Football 2000 Inc.**  
**Statement of Changes in Net Assets**  
*For the year ended December 31, 2021*

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	<b>2021</b>	<i>2020 (Restated)</i>
<b>Net assets, beginning of year</b>	<b>665,508</b>	667,934
<b>Deficiency of revenue over expenses</b>	<b>6,150</b>	(2,426)
<b>Net assets, end of year</b>	<b>671,658</b>	665,508

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*The accompanying notes are an integral part of these financial statements*

**Regina Minor Football 2000 Inc.**  
**Statement of Cash Flows**  
*For the year ended December 31, 2021*

	<b>2021</b>	<i>2020</i> <i>(Restated)</i>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Deficiency of revenue over expenses	6,150	(2,426)
Amortization	208,372	187,062
Amortization of deferred contributions related to capital assets	(128,042)	(99,562)
Government assistance - debt forgiveness	(10,000)	(10,000)
Changes in working capital accounts		
Inventory	3,959	(1,382)
Accounts payable and accruals	(40,309)	(2,440)
Deferred contributions - amounts held in trust	(59,237)	(21,315)
	<b>(19,107)</b>	49,937
<b>Financing</b>		
Repayments demand loan	(126,000)	(750,000)
Advances of long-term debt	20,000	40,000
Contributions received related to capital assets	50,000	1,000,000
	<b>(56,000)</b>	290,000
<b>Investing</b>		
Purchase of capital assets	(79,732)	(108,990)
<b>(Decrease) increase in cash resources</b>	<b>(154,839)</b>	230,947
<b>Cash resources, beginning of year</b>	<b>661,500</b>	430,553
<b>Cash resources, end of year</b>	<b>506,661</b>	661,500
<b>Cash resources are composed of:</b>		
Cash	226,483	322,087
Cash held in trust	280,178	339,413
	<b>506,661</b>	661,500

*The accompanying notes are an integral part of these financial statements*



**1. Incorporation and nature of the organization**

Regina Minor Football 2000 Inc. (the "Organization") was incorporated on November 8, 2000 under The Non-Profit Corporation Act of Saskatchewan. The objectives of the organization are to:

- a) promote amateur football in the City of Regina and surrounding area, and the development of the fundamental skills of the sport of football;
- b) build character and promote sportsmanship among all individuals associated with the sport of football; and,
- c) operate the Organization in a business-like manner.

*Impact of COVID-19*

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The outbreak has impacted player registrations due to reduced demand, as well as the cancellation of the 2020 spring season. The future impact the COVID-19 outbreak may have on the Organization is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, and include the following significant accounting policies:

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Buildings	25 years
Football equipment	10 years
Scoreboard	20 years
Office furniture and equipment	5 years
Field improvements	5 years

**Revenue recognition**

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, fundraising revenue and rental income are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership fees are recognized as revenue over the related league season.

Sale of goods is recognized as revenue when shipment has occurred and amount to be received can be reasonably estimated and collection is reasonably assured.

**Financial instruments**

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments, including cash, restricted cash, accounts receivable, accounts payable and accruals and long term debt are initially recorded at their fair value. All financial instruments are subsequently measured at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

**Regina Minor Football 2000 Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2021*

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**2. Significant accounting policies** *(Continued from previous page)*

**Measurement uncertainty**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

**Income taxes**

The Organization is incorporated under The Non-Profit Corporations Act of Saskatchewan and as such is exempt from income taxes.

**Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling costs.

**Government assistance**

The Organization recognizes government assistance when there is reasonable assurance that it will comply with the conditions required to qualify for the assistance, and that the assistance will be received.

**3. National Sport Trust Fund and the Sport Legacy Fund**

Contributions received during the year that are directed by the donors for future purchases are paid directly to National Sport Trust Fund and Sport Legacy Fund, where they are held in trust. The funds are held in trust until the eligible expenditures are incurred, at which point, the funds are deposited into the Organizations account, and the amount recorded into income as the related expenses are incurred. For capital contributions, this revenue is recognized into income on the same basis as the related assets are amortized.

The balances available to the Organization in the National Sport Trust Fund and the Sport Legacy Fund are:

	<b>2021</b>	<b>2020</b>
National Sport Trust Fund – Individual Donations Fund	<b>63,425</b>	82,375
National Sport Trust Fund – Capital	<b>78,782</b>	125,782
Sport Legacy Fund – Artificial Turf Capital Fund	<b>120,174</b>	114,325
Sport Legacy Fund – Individual Donations Fund	<b>17,797</b>	16,931
	<b>280,178</b>	339,413

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**Regina Minor Football 2000 Inc.**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2021*

**4. Inventory for resale**

	<i>2021</i>	<i>2020</i>
Equipment inventory for sale	<b>24,300</b>	28,259

The cost of inventories recognized as an expense and included in cost of goods sold amounted to \$21,164 (2020 - \$9,816).

**5. Capital assets**

	<i>2021</i>	<i>2020</i>		
	<i>Cost</i>	<i>Accumulated amortization</i>		
	<i>Net book value</i>	<i>Net book value</i>		
Buildings	<b>4,260,623</b>	<b>681,700</b>	<b>3,578,923</b>	3,749,348
Football equipment	<b>488,351</b>	<b>439,628</b>	<b>48,723</b>	61,595
Scoreboard	<b>426,206</b>	<b>21,310</b>	<b>404,896</b>	346,474
Office furniture and equipment	<b>18,824</b>	<b>10,214</b>	<b>8,610</b>	12,375
Field improvements	<b>400,000</b>	<b>400,000</b>	<b>-</b>	-
	<b>5,594,004</b>	<b>1,552,852</b>	<b>4,041,152</b>	4,169,792

Included in capital assets are purchases relating to the installation of the scoreboard of \$nil (2020 - \$45,992) that are included in accounts payable at year end.

**6. Deferred contributions related to capital assets**

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	<i>2021</i>	<i>2020</i>
Balance, beginning of year	<b>2,645,180</b>	1,744,742
Amount received during the year	<b>50,000</b>	1,000,000
Less: Amounts recognized as revenue during the year	<b>(128,042)</b>	(99,562)
	<b>2,567,138</b>	2,645,180
Less: current portion	<b>128,042</b>	113,270
Balance, end of year	<b>2,439,096</b>	2,531,910

**7. Demand loan**

	<i>2021</i>	<i>2020</i>
Demand loan, interest only payments, bearing interest at prime + 1%, due on demand, matures September 2022. General security agreement pledged as collateral.	<b>999,000</b>	1,125,000

**8. Long-term debt**

Canada Emergency Business Account loan due December 31, 2023. \$20,000 eligible for forgiveness if \$40,000 is paid on/before December 31, 2023. Interest free for the term. Option to convert loan after this date into a 3 year term loan at an interest rate of 5%.

**9. Financial instruments**

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

***Interest rate risk***

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Organization is exposed to interest rate cash flow risk with respect to their demand loan which is subject to floating interest rates which fluctuate with the changes in the Conexus Credit Union prime rate

**10. Correction of an error**

During the year the Organization determined that installation costs relating to the scoreboard were understated by \$45,992. For 2020 the impact of this correction has resulted in an increase in capital assets of \$45,992 and an increase in accounts payable of \$45,992. There was no impact on 2020 deficiency of revenues over expenses as the scoreboard was not in use until 2021.

**11. Comparative figures**

Certain comparative figures have been reclassified to conform with current year presentation.

**Regina Minor Football 2000 Inc.**  
**Schedule 1 – Revenue by category**  
*For the year ended December 31, 2021*

	2021	2020
<b>Contributions</b>		
Affiliate fees	2,050	-
Deferred capital contributions recognized	128,042	99,562
Donations	56,340	62,380
Football Saskatchewan membership	29,016	29,281
Saskatchewan Lotteries grant	24,392	31,053
Miscellaneous	3,179	-
	<b>243,019</b>	<b>222,276</b>
<b>Fundraising</b>		
Future development	24,120	14,920
50/50 sales	106,219	76,571
Fundraising activities - net	6,713	4,660
Bowl Game advertising	4,620	3,233
Canteen income - net	3,000	-
	<b>144,672</b>	<b>99,384</b>
<b>Membership</b>		
Basic fees	263,849	222,732
Spring league fees	68,360	16,408
U 16 program	17,090	-
	<b>349,299</b>	<b>239,140</b>
<b>Rental income</b>		
Rental income	21,326	17,749
	<b>758,316</b>	<b>578,549</b>