

Regina Minor Football 2000 Inc.
Financial Statements
December 31, 2020

Management's Responsibility

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.

April 27, 2021



Executive Director

Independent Auditor's Report

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, 2020, 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, 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, 2020, 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.

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

Regina, Saskatchewan

April 27, 2021

MNP **LLP**

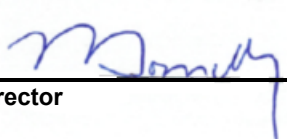
Chartered Professional Accountants

Regina Minor Football 2000 Inc.
Statement of Financial Position


As at December 31, 2020

	2020	2019
Assets		
Current		
Cash	322,087	69,825
Cash held in trust (Note 4)	339,413	360,728
Inventory for resale (Note 5)	28,259	26,877
	689,759	457,430
Capital assets (Note 6)	4,123,800	4,201,872
	4,813,559	4,659,302
Liabilities		
Current		
Accounts payable and accruals	8,457	10,897
Deferred contributions related to capital assets (Note 7)	113,270	76,954
Demand Loan (Note 8)	1,125,000	1,875,000
	1,246,727	1,962,851
Long-term debt (Note 9)	30,000	-
Deferred contributions - amounts held in trust (Note 4)	339,413	360,728
Deferred contributions related to capital assets (Note 7)	2,531,910	1,667,788
	4,148,050	3,991,367
Significant event (Note 12)		
Net Assets	665,509	667,935
	4,813,559	4,659,302

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, 2020

	2020	2019
Revenue (Schedule 1)		
Contributions	222,276	203,518
Fundraising	184,018	175,379
Memberships	239,140	385,318
Rental income	17,749	27,165
	663,183	791,380
Other revenue		
Sale of goods	12,354	20,508
Cost of goods sold	(9,816)	(8,381)
	2,538	12,127
Total revenue	665,721	803,507
Expenses		
Amortization	187,062	244,053
Administrative	142,488	140,613
Fundraising activities	84,634	85,752
Interest on long-term debt	53,338	94,173
Cost of 50/50 sales	43,264	23,660
Equipment room	31,683	35,043
Game officials	31,130	41,866
Football Saskatchewan registration	27,744	47,088
Streaming services	23,288	9,100
Fields	15,486	21,768
Insurance	11,337	13,586
Donations and promotions	8,337	52,375
HQ Facility Operations	7,795	41,767
Spring league	6,984	49,590
Telephone	6,226	6,637
Professional fees	5,889	5,379
Coaches development	5,300	9,852
Travel	1,655	8,794
Bank charges and interest	1,447	1,823
Repairs and maintenance	-	1,308
U16 program	-	8,439
Total expenses	695,087	942,666
Excess of revenue over expenses before other items	(29,366)	(139,159)
Other items		
Government assistance (Note 11)	26,940	-
Deficiency of revenue over expenses	(2,426)	(139,159)

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, 2020

	<i>2020</i>	<i>2019</i>
Net assets, beginning of year	667,935	807,094
Deficiency of revenue over expenses	(2,426)	(139,159)
Net assets, end of year	665,509	667,935

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, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(2,426)	(139,159)
Amortization	187,062	244,053
Amortization of deferred contributions related to capital assets	(99,562)	(66,954)
Government assistance - debt forgiveness	(10,000)	-
Changes in working capital accounts		
Inventory	(1,382)	(9,981)
Accounts payable and accruals	(2,440)	2,287
Deferred revenue	-	(226)
Deferred contributions - amounts held in trust	(21,315)	95,861
	49,937	125,881
Financing		
Repayments demand loan	(750,000)	(125,000)
Advances of long-term debt	40,000	-
Contributions received related to capital assets	1,000,000	120,000
	290,000	(5,000)
Investing		
Purchase of capital assets	(108,990)	(13,421)
Increase in cash resources	230,947	107,460
Cash resources, beginning of year	430,553	323,093
Cash resources, end of year	661,500	430,553
Cash resources are composed of:		
Cash	322,087	69,825
Cash held in trust	339,413	360,728
	661,500	430,553

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.

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.

	Rate
Buildings	25 years
Football equipment	10 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, 2020

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. Change in accounting estimate

Effective January 1, 2020, the Organization revised the estimated useful life of its football equipment from 5 years to 10 years. This change in useful life was applied prospectively and prior year results have not been restated. For the year ended December 31, 2020, the change resulted in a decrease of \$12,872 in accumulated amortization on the football equipment and a decrease of \$12,872 in amortization expense.

4. National Sport Trust Fund and the Sport Legacy Fund

Contributions received during the year that are directed by the donors for future capital 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:

	2020	2019
National Sport Trust Fund – Individual Donations Fund	82,375	100,200
National Sport Trust Fund – Capital	125,782	135,683
Sport Legacy Fund – Artificial Turf Capital Fund	114,325	108,738
Sport Legacy Fund – Individual Donations Fund	16,931	16,107
	339,413	360,728

Regina Minor Football 2000 Inc.
Notes to the Financial Statements
For the year ended December 31, 2020

5. Inventory for resale

	2020	2019
Equipment inventory for sale	28,259	26,877

The cost of inventories recognized as an expense and included in cost of goods sold amounted to \$9,816 (2019 - \$8,381).

6. Capital assets

	2020 <i>Cost</i>	2020 <i>Accumulated amortization</i>	2020 <i>Net book value</i>	2019 <i>Net book value</i>
Buildings	4,260,623	511,275	3,749,348	3,919,773
Football equipment	488,351	426,756	61,595	45,020
Scoreboard	300,482	-	300,482	226,342
Office furniture and equipment	18,824	6,449	12,375	10,737
Field improvements	400,000	400,000	-	-
	5,468,280	1,344,480	4,123,800	4,201,872

Scoreboard - No amortization has been recorded during the current year because it is currently under construction. This asset is expected to be completed and in use in fiscal 2021.

7. 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:

	2020	2019
Balance, beginning of year	1,744,742	1,691,696
Amount received during the year	1,000,000	120,000
Less: Amounts recognized as revenue during the year	(99,562)	(66,954)
	2,645,180	1,744,742
Less: current portion	113,270	76,954
Balance, end of year	2,531,910	1,667,788

8. Demand loan

	2020	2019
Demand loan, interest only payments, bearing interest at prime + 1%, due on demand.		
General security agreement pledged as collateral.	1,125,000	1,875,000

9. Long-term debt

Canada Emergency Business Account loan due December 31, 2022. \$10,000 eligible for forgiveness if \$30,000 is paid on/before December 31, 2022. Interest free for the term. Option to convert loan after this date into a 3 year term loan at interest rate of 5%.

10. 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

11. Government assistance

In response to the negative economic impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy (CEWS) program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. This subsidy is retroactive to March 15, 2020. The qualification and application of the CEWS is assessed over multiple four-week application periods.

The Organization has determined that it has qualified for the CEWS for the following periods during the year: Period 1: March 15 – April 11, 2020 ; Period 2: April 12 – May 9, 2020 ; Period 3: May 10 - June 6; Period 4: June 7 – July 4; Period 5: July 5 - August 1; Period 6: August 2 - August 29, 2020. The Organization has applied for government assistance related to the CEWS in the amount of \$16,940 which was received in the 2020 fiscal year and has been reflected in income as other income.

During the year, the Association was approved for a \$40,000 loan with Conexus Credit Union under the Canada Emergency Business Account (CEBA) program funded by the Government of Canada. If the balance of the CEBA loan is repaid on or before December 31, 2022, it will result in forgiveness of \$10,000 of the loan.

12. Significant event

During the year, 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. At this time, it is unknown the extent of the impact the COVID-19 outbreak may still have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations, all of which may negatively impact the Organization's business and financial condition.

Regina Minor Football 2000 Inc.
Schedule 1 – Revenue by category
For the year ended December 31, 2020

	2020	2019
Contributions		
Affiliate fees	-	1,300
Deferred capital contributions recognized	99,562	66,954
Donations	62,380	91,220
Football Saskatchewan membership	29,281	32,700
Saskatchewan Lotteries grant	31,053	7,569
Miscellaneous	-	3,775
	222,276	203,518
Fundraising		
Future development	14,920	25,614
50/50 sales	76,571	54,212
Fundraising activities - net	89,294	90,786
Bowl Game advertising	3,233	1,767
Canteen income - net	-	3,000
	184,018	175,379
Membership		
Basic fees	222,732	320,404
Spring league fees	16,408	42,344
U 16 program	-	22,570
	239,140	385,318
Rental income		
Rental income	17,749	27,165
	663,183	791,380