

2021 ANNUAL REPORT

REAL ESTABLISHED
1884
REGINA EXHIBITION ASSOCIATION LIMITED



PHOTO CREDIT: KURT - 2021 QCX PHOTO CONTEST

OUR VISION

To be the heart of our city and province, a place where people
come to live, work and play.

OUR MISSION

To deliver exceptional experiences and foster meaningful memories that make our community a better place.

OUR VALUES

Be original. We think outside the box, constantly challenge the status quo and welcome ideas for improvement.

Be a host. We treat everyone as if they were a guest invited into our home and we do so with the highest level of hospitality.

Be inclusive. We welcome everyone and treat all others how we would like to be treated.

Be proud. We showcase how honoured we are to represent our history, our organization and to be a valued member of the **REAL** family.

Be resilient. We willingly adapt to change and never give up.

Be smart. We strategically and thoughtfully manage our business and plan for the future.

Always own it. We hold ourselves and others accountable for delivering on promises.



BRINGING COMMUNITY TOGETHER SINCE



1884



OUR HISTORY

It all began in **1884** when an enthusiastic group of people organized Regina's first-ever agricultural fair in what we know now as downtown's Victoria Park. In time, land was purchased west of Elphinstone Street and became the permanent home of the Regina Agricultural and Industrial Exhibition Association. We played host to events large and small, including the prestigious World's Grain Exhibition and Conference during the heart of the Great Depression.

We became Regina Exhibition Park, and over the years, three major events were born that we still enjoy today: Queen City Ex (formerly Buffalo Days, 1967), Canadian Western Agribition (1970) and Canada's Farm Show (1978). We are now the proud home of the Saskatchewan Roughriders, Regina Pats, Futbol Club Regina, University of Regina Cougars hockey, Hockey Regina, and many recreational sports, concerts, trade shows, conferences and conventions of all shapes and sizes.

The men and women who began all this more than 137 years ago with a vision to bring the community together could have not imagined what this park would eventually come to be. But throughout our history, one thing has stayed the same: ***we build community***, one memory at a time. Look closely and you'll see it in action—community is, and has always been, at the heart of everything we do. Whether it's family time enjoyed at Queen City Ex, cheering on the home team at Mosaic Stadium or the Brandt Centre, or scoring big to take home that sought-after tournament trophy, we create positive experiences and memories that last a lifetime.

Re•sil•ience

*the capacity to recover quickly
from difficulties; toughness.*

The legacy of COVID – 19 for REAL is one of resilience. Difficult decisions had to be made for the organization to survive. At one point, 82 percent of staff were laid off. It was a bad year but better than it could have been. Under the most dire of circumstances, REAL found a way. We served southern Saskatchewan as a hub for testing and vaccinations. The fight against COVID – 19 was at our door. We opened back up!

The public enjoyed sport and recreation programming once again. We cheered on the Riders, and welcomed a record setting crowd for the Queen City Ex. It was the normal the public had been yearning for, but there was nothing normal about it. In 2019 REAL's staff compliment was close to 1300, we were now just over 500. As a community not-for-profit, REAL staff stepped up, sacrificed, and delivered with a renewed focus on our core values. We all pivoted more than once having to manage mask mandates, gathering limits and vaccination entry requirements. We were resilient.

The road to recovery from the pandemic is long and winding. It will take time but we will continue to be resilient. It is the legacy left by those who came before us and the gift we leave for those yet to come.

PHOTO CREDIT: SASKATCHEWAN HEALTH AUTHORITY/TWITTER

**WE'RE PROUD TO
WELCOME YOU
TO OUR CAMPUS.**

[illegible]

EXECUTIVE MESSAGE

2021 was a rollercoaster. REAL entered the year doing it's best to deal with the uncertainty of COVID and its impact on staff. The organization was also focused on continuing to serve as the place people can come to and make memories that last a lifetime.

REAL continued in its' role as a testing and vaccination site in the fight against COVID-19. Thousands of people from across Regina and southern Saskatchewan got tested and vaccinated here! We are grateful and honoured to have answered the call when our community needed us. It meant our campus was open, our staff had work, and if even for a bit, we could dream about finding a new normal. We had hope!

To find that normal, changes would need to be made. Safety has always mattered to us. The pandemic forced us to think about the safety of our patrons in a new way. Being a testing and vaccination site wasn't enough. We had to ensure when our campus reopened, the public would feel safe bringing their kids to hockey at the Co-operators Centre or watching them play soccer at the AffinityPlex. REAL embarked on becoming a GBAC STAR Accredited Facility. Being GBAC STAR Accredited meant our cleaning practices would be the highest standards in the world for cleanliness and disease transfer mitigation. It was important to do our part, in this way, to STICK IT to COVID. We achieved our designation in June and now have a new standard for cleaning.

We saw a glimmer of what life used to be like when we hosted the WHL's East Division Hub. Seven teams from Saskatchewan and Manitoba played a 24-game schedule exclusively at the Brandt Centre. It was a massive undertaking, but our staff was up to the challenge. We helped deliver an incredible event. We got our first glimpse of then 15-year old phenom Connor Bedard of the Regina Pats.

In April, we embarked on a new era for the property. We announced our first 10-acre parcel of land on the campus was being made available for commercial leasing opportunities. It was the culmination of months of work looking at the best practices from other properties, like ours, across North America. It was identified in our Strategic Plan, REAL 2.0 that commercial leasing was a vehicle to redefine and modernize how our property can be used and programmed. We saw immediate uptake with a new McDonald's Restaurant on campus and the announcement of the intent to redevelop the Agribition Building into the YQR Distillery. We also renewed our lease for the AffinityPlex with Futbol Club Regina for 25 years. Plus, we embarked on the first phase of an ambitious project to reimagine an expansion of the AffinityPlex and the addition of new synthetic playing surfaces on our campus.

In July, the world changed again, this time for the better. On July 11, the indoor mask mandate and gathering limits were removed in Saskatchewan. We were open for business.

We began recalling staff and hiring new people. We needed to be ready.

In July, we welcomed the opening of the Queen City Pickleball Hub. The first phase of the redevelopment of the Canada Centre Building. A mostly dormant facility was seeing life day in and day out. We can't wait for this project to be fully realized in 2022, benefitting our community.





While plans were being put together for the 2021 Queen City Ex presented by SaskTel before July 11, things went into overdrive after that day. We put on an eight-day fair instead of five due to the midway routing. We kept it mainly outdoors to help people feel safe when gathering in large groups for the first time in months. We brought in the best Canadian talent to entertain us. It was a time to celebrate being together again. What a celebration! We set a new attendance record with almost 275,000 people taking in the fair. It was amazing.

In August alone, we hosted the fair and three Saskatchewan Roughrider Football Games. Our campus was busy again!

As the Rider season rolled along, the WHL was returning to a full schedule of games. Hockey tournaments had returned to the Cooperators Centre, and the AffinityPlex was full of boys and girls, men and women enjoying the beautiful game. We announced REAL would be the site of the 2022 National Truth and Reconciliation Day. It's an important day in our country as we all have a role to play in reconciliation. The day is called *MIYO-WICIWITOWIN DAY* which means *reconciliation* in *Cree*. It will take place on September 29, 2022 at Mosaic Stadium. It's about recognizing truth and inspiring action. Details can be found by going to wewalktogether.ca.

Another sign of us nearing the end of the pandemic was the return of the Canadian Western Agribition to our REAL District in November.. Thousands of people descended on the campus for the best beef show on the continent and the largest livestock show in Canada. They set a new record for conference attendance and digital engagement.

There were some bumps along the way. A new COVID-19 variant made its' way across the country. First, the City and then the Province brought back masking mandates. We are thankful for the hard work and considerations of our health care professionals in battling this disease.

In the end, the normal we'd all been searching for was emerging. All areas of our business had started to return, people were cautious but ready. We had concerts returning which were exciting. REAL was alive again and it was incredible to see. The heart of our city was beating strong and getting stronger.

To our partners, thank you for sticking with us we couldn't do what we do without you. To our owners, the City of Regina, thank you for your vision and insight to help us succeed. To our staff, we know this year hasn't been easy. Your dedication and commitment in service to our guests is incredible. And to the thousands of people who come to our campus every day, thank you for being there and supporting us. We are always striving to get better to provide the service you deserve.

Thank you!



Tim Reid
PRESIDENT & CEO

A blue ink signature of Tim Reid.



Wayne Morsky
CHAIR OF THE BOARD

A blue ink signature of Wayne Morsky.

REAL BOARD OF DIRECTORS

The *Regina Exhibition Association Limited (REAL)* is governed by a Board of Directors (*BOD*). REAL is a not-for-profit and municipal arms-length organization that operates the property currently known as Evraz Place. The City of Regina is the owner and sole shareholder of REAL.

REAL operates separately and independently from the City of Regina and does not have the authority to act as an agent for the City of Regina without express permission to do so. In January 2014, REAL’s governance structure underwent a major shift from a community shareholder base of over 400 shareholders to a municipal arms-length organization with the City of Regina Council becoming the owner and sole-shareholder. With significant municipal investment in the assets on the site, the City of Regina required a greater degree of control over these assets. The City of Regina realized that the assets on the exhibition grounds needed to continue to operate through an entity that allowed the flexibility to operate in the space that private business would not and that at times is an area of too much risk for a municipality to operate within.

To ensure that the operating mandate empowered REAL to have the flexibility to truly take advantage of opportunities that would see the organization flourish and bring benefits to not only the city but also the province, the City of Regina thoughtfully and purposefully outlined REAL’s mandate in the Unanimous Members Agreement (UMA). It is in the spirit of this mandate, the BOD have diligently fulfilled their duties to see REAL strive to achieve financial sustainability and bring prosperity to Regina.

The mandate of REAL as per the UMA is as follows:

- (a) to operate in the best interest of the community, and to enrich the quality of life for people in the community through the hosting and delivery of local, regional, national, and international events
- (b) to develop, operate and maintain facilities to provide world-class hospitality for trade, agri-business, sporting, entertainment and cultural events that bring innovation, enrichment and prosperity to the community; and
- (c) to operate with an entrepreneurial spirit and to pursue expanded business ventures that could generate additional revenue.

The BOD is made up of no more than fifteen (15) members and no fewer than seven (7). There are currently thirteen (13) voting appointed directors and two (2) ex-officio (non-voting) directors – one appointed by the City of Regina and the other by the Ministry of Agriculture, Province of Saskatchewan.



Wayne Morsky
CHAIR



Kathleen McCrum
VICE-CHAIR



Sandra Bellgarde



Ken Budzak



Kenric Exner



Rosanne Hill Blaisdell



Jim Hopson



Collin Pullar



Ahmed Malik



Tiffany Stephenson



David Sinclair



Cathy Warner



June Zimmer



Angela Hall
EX-OFFICIO
REP. OF MINISTRY OF AGRICULTURE



Chris Holden
EX-OFFICIO
REP. OF CITY OF REGINA

The REAL Board of Directors is responsible for;

Governance: structures and processes to fulfill responsibilities, such as board skills matrix and recruitment, committee appointments, and governance policies, to name a few.

Talent: selecting, evaluating, and compensating the President & CEO and overseeing their performance targets in alignment with strategy.

Integrity: the ethical tenor of the company. Standards of honesty, integrity, and ethics. Adheres to regulatory compliance.

Risk: monitoring the company’s strategic, operational, financial, and compliance risk exposure. Collaborates with management to set risk-tolerance levels and alignment with strategic priorities.

Performance: reviews and approves company strategy, annual operating plans, and financial plans. Monitors the execution against established budgets and alignment with the strategic objectives of the organization.

Strategy: develops strategic priorities and plans that align with the mission of the organization and in the best interest of the shareholder. Monitors the ability to execute strategy.

The Board of Directors is assisted in performing its work by four standing committees:

- Audit and Finance Committee
- Governance and Nominating Committee
- Human Resources Committee
- Strategic Initiatives Committee



YEAR IN REVIEW

2021 started out as the year of the unknown. COVID-19 was at the forefront, changing, forcing public health officials to make adjustments in the fight against the disease. It was also the year the fight changed. After so much unknown, in 2021 vaccines started rolling out to every corner of the province. REAL continued to be a testing and vaccination site. A role we were honoured to have, supporting Saskatchewan people. The year also marked a return to life before the pandemic began when public health orders were lifted on July 11, 2021. Our beloved Saskatchewan Roughriders returned to the field in a shortened but much welcomed season. A new attendance record was set for the Queen City Ex presented by SaskTel. The Regina Pats returned to a full season schedule. Our sport and recreation programming was booming; staff were working, the campus was busy. We had hope life was returning to normal.

Saskatchewan Health Authority

209,405 Vaccinations & 135,817 COVID Tests

SHA started providing both COVID and flu vaccines on site beginning March 13, 2021 via drive thru, by appointment, and walk in. Regina achieved a vaccination rate of 85% first doses and 79.8% second doses with a very large number of these doses being provided through the partnership between SHA & REAL.

Iceville DEC 31, 2020 - FEB 15, 2021

21,000 guests

17 different school groups

88 Paid Private Skate Times

2 Marriage Proposals

More than 100 special skating times for ER, ICU, COVID/SHA Team, Neurology, and Pediatric Nurses, Regina Police Services Families, International Students, etc. We saw demand for over 190,000 skaters and could only accommodate 21,000 within the public health guidelines.

WHL HUB MARCH 12 - APRIL 11

46 Days

84 Games

7 Teams

1,930 COVID-19 Tests

0 Covid Cases

A true testament to REAL's ability to deliver an event in a manner that placed safety and cleanliness first.

Kids Campus at REAL JULY/AUGUST

220 kids campers ages 5-12

Programming included: Sports, Arts and Culture, Team Building, Agriculture, Experience QCX, **16,500 memories made!**

Trick-or-Treat with REAL OCTOBER 31, 2021

25 Partner Booths

8,000 pieces of candy distributed = happy dentists!

2,000 Children 12 and Under Registered for FREE

Sold out in **2.5 Minutes!**

Saskatchewan Roughriders

Per-caps exceeded pre-Covid results by **21%**. Rider fans are happy to be BACK!

Revenue exceeded budget by 52%

Excited for the **2022 season** and hosting the **109th Grey Cup at Mosaic Stadium.**



 **92,000**
views
during 2 days of show

 **50 countries**
participated

 **8,000**
CFS page views
during the week

CANADA'S FARM SHOW

VIRTUAL EVENT – JUNE 16 & 17, 2021
BY THE NUMBERS

 **950**
registrations

 **1.9 million**
advertising
impressions

 **101,787**
farms
reached by
print campaign



canadasfarmshow.com

Presented By **VITERRA**

182,868
Web Views

35% Open Rate
on e-Communication

274,624
People
in Attendance

28
Corporate
Partners



SASKATCHEWAN'S FAIR

PRESENTED BY

SaskTel

1,739
New Followers

BY THE NUMBERS

\$11.36 Million
in Economic
Impact

2,592,013
Advertising
Impressions

2,734,583
Engagements
on Social



FINANCIAL STATEMENTS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of The Regina Exhibition Association Limited operating the REAL District have been prepared by the Association's management in accordance with Canadian public sector accounting standards and necessarily include some amounts based on informed judgement 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 have reviewed and approved these financial statements.

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

March 29, 2022

Tim Reid
President and CEO

Wayne Morsky
Acting Chair of the Board

The Regina Exhibition Association Limited
Financial Statements
December 31, 2021

To the Directors of The Regina Exhibition Association Limited:

Opinion

We have audited the financial statements of The Regina Exhibition Association Limited (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of loss, changes in net (deficit) 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 December 31, 2021, and the results of its operations, changes in its net deficit, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government 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 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises of the Annual 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 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. We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 public sector accounting standards for government 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

March 24, 2022

MNP LLP
Chartered Professional Accountants



The Regina Exhibition Association Limited

Statement of Financial Position
As at December 31, 2021

	2021	2020
	\$	\$
Assets		
Current assets		
Cash	145,061	1,007,925
Accounts and grants receivable	2,885,348	1,761,643
Inventories	409,090	268,962
Supplies and prepaid expenses	652,661	210,703
	4,092,160	3,249,233
Long-term leases receivable	169,298	-
Capital assets (note 4)	83,723,454	88,101,748
	87,984,912	91,350,981
Contractual rights (note 14)		
Liabilities and Net Deficit		
Current liabilities		
Bank indebtedness (note 3)	1,725,223	-
Accounts payable and accrued liabilities	5,804,553	4,887,181
Deferred revenue and deposits	2,803,202	5,434,367
Current portion of term loans due on demand (note 5)	2,067,426	1,351,295
	12,400,404	11,672,843
Term loans due on demand (note 5)	6,067,159	3,690,275
	18,467,563	15,363,118
Deferred grants and other contributions (note 6)	74,681,795	78,281,037
	93,149,358	93,644,155
Contractual obligations (note 15)		
Commitment (note 16)		
Share capital (note 8)	10	10
Investment in capital assets	6,148,543	4,779,140
Accumulated deficit	(11,312,999)	(7,072,324)
Net deficit	(5,164,446)	(2,293,174)
	87,984,912	91,350,981

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

Approved by the Board:

Director

Signed by David Sinclair
2022-03-24 21:22:13 GMT

Director

Signed by Wayne Morsky
2022-03-24 20:13:32 GMT

The Regina Exhibition Association Limited

Statement of Loss
For the year Ended December 31, 2021

	2021	2020
	\$	\$
Revenue		
External funding (note 11)	3,224,823	2,711,281
Event sales and recoveries	9,029,309	5,235,484
Rental and lease revenue	8,152,216	5,083,566
Sponsorship sales	2,096,000	344,790
Food and beverage	5,764,240	2,182,185
	28,266,588	15,557,306
Expenses		
Contracted labour	1,079,009	270,422
Cost of goods sold	2,032,479	881,228
Repairs and maintenance	2,192,668	1,559,097
Administration, supplies, and services	9,831,703	4,059,022
Utilities	3,244,777	3,062,509
Wages and employee benefits	13,797,246	11,378,939
	32,177,882	21,211,217
Loss from operations	(3,911,294)	(5,653,911)
Government COVID-19 assistance (note 17)	3,412,167	4,066,855
Loss before amortization and interest	(499,127)	(1,587,056)
Amortization	6,037,155	5,987,439
Interest on long term debt	175,716	214,602
Loss before contributed capital and interest earned	(6,711,998)	(7,789,097)
Contributed capital and interest earned	3,840,726	3,840,736
Net loss for the year	(2,871,272)	(3,948,361)

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

The Regina Exhibition Association Limited

Statement of Changes in Net Deficit
For the year ended December 31, 2021

	Share capital \$	Investment in capital assets \$	Accumulated (deficit) \$	2021 \$	2020 \$
Balance, beginning of year	10	4,779,140	(7,072,324)	(2,293,174)	1,655,187
Net loss for the year	-	-	(2,871,272)	(2,871,272)	(3,948,361)
Amortization	-	(6,037,155)	6,037,155	-	-
Capital contributions recognized	-	3,840,713	(3,840,713)	-	-
Investment in capital assets during the year	-	1,658,860	(1,658,860)	-	-
Net change in term loans due on demand relating to capital assets	-	1,906,985	(1,906,985)	-	-
Balance, end of year	10	6,148,543	(11,312,999)	(5,164,446)	(2,293,174)

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

The Regina Exhibition Association Limited

Statement of Cash Flows
For the year ended December 31, 2021

	2021	2020
	\$	\$
Operating activities		
Net loss for the year	(2,871,272)	(3,948,361)
Items not affecting cash		
Amortization	6,037,155	5,987,439
Deferred capital contributions recognized (note 6)	(3,840,713)	(3,840,713)
	(674,830)	(1,801,635)
Net (decrease) increase in non-cash working capital balances related to operations (note 7)	(3,588,883)	5,079,751
Net cash (used) generated through operating activities	(4,263,713)	3,278,116
Financing activities		
Advance of term loans due on demand	5,609,972	-
Repayment of term loans due on demand	(2,516,957)	(1,141,905)
Increase in (repayment of) bank indebtedness	1,725,223	(1,346,524)
Contributions received (note 6)	241,471	21,659
Net cash received (utilized) through financing activities	5,059,709	(2,466,770)
Investing activities		
Purchase of capital assets	(1,658,860)	(344,161)
(Decrease) increase in cash during the year	(862,864)	467,185
Cash, beginning of year	1,007,925	540,740
Cash, end of year	145,061	1,007,925

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

The Regina Exhibition Association Limited

Notes to the Financial Statements
For the year ended December 31, 2021

1. Description of operations

The Regina Exhibition Association Limited (REAL) is a not-for-profit organization that operates a 100-acre property in the City of Regina. REAL was incorporated in 1907 by "An Act to incorporate The Regina Exhibition Association Limited", being Chapter 41 of the Statutes of Saskatchewan, 1907. REAL transitioned to The Non-profit Corporations Act, 1995 (Saskatchewan), on January 1st, 2014 under an Order in Council approving REAL's Articles of Continuance, which were passed by a special resolution of the shareholders on May 1, 2012. Since REAL is a not-for-profit organization it is not subject to federal or provincial income taxes.

Impact on operations of COVID-19 (coronavirus)
In March 2020 the global out-break of COVID-19 impacted all continents and every industry. As all levels of government implemented various restrictions as a means of protection and safety, every industry was impacted in some way or fashion. Given the industry REAL operates within, business was significantly impacted in 2020 and a portion of 2021. With the provincial re-opening on July 11, 2021, but international travel restrictions still in place, REAL made the necessary adjustments in order to create opportunities for business operations to resume to the level that was within the imposed provincial and municipal restrictions.

For 2021, sport and recreation was allowed to return under certain restrictions and for the later part of the year, entertainment, tradeshow and conferences were also allowed to return provided the event was delivered under restrictions such as vaccination and masking requirements. These requirements had a direct impact on REAL's operations by bringing back all staff to work, increasing the cost of cleaning supplies, management of supply chain issues and Public Health Order (PHO) restrictions and reduced capacity to events. Further details on the impact of COVID-19 on REAL is described in Note 9 *Financial Risk Management*.

The impact of COVID-19 and learning how best to operate under the PHO, has been partially offset by available Government programs for which REAL was eligible. REAL has qualified and received wage subsidies from March 2020 to the date of completion of these financial statements. Further details of these programs are described in Note 17 Government COVID-19 assistance. Eligibility requirements under these programs have evolved since first announced and can be subject to changes in legislation or administrative positions, further, there is significant uncertainty of the period of time into the future that the Government will continue these programs.

Although 2020 was a year where the extent of the impact COVID-19 would have on REAL was unknown, 2021 provided more clarity on how to respond and provided opportunities for REAL to start to recover from the pandemic. Future developments and uncertainties still exist and cannot be predicted with confidence. These uncertainties arise from the impact of future variants of COVID-19 and the inability to predict the severity of these new variants and how each country and government will react with ongoing travel restrictions, business closures or disruptions, and quarantine/isolation measures. While REAL is navigating returning to operations in a post pandemic environment, the extent of what is to be expected remains unknown, as we anticipate the road to recovery may see reduced customer demand, supply chain disruptions, staff shortages, an inflationary increase and increased interest rates, all of which may negatively impact REAL's business and financial condition.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Public Sector Accounting standards for government not-for-profit organizations.

Preparation of financial statements requires 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 revenue and expenses during the year. These estimates are reviewed periodically and adjustments as necessary are reported in the period of review. Significant areas requiring the use of management estimates is the useful life of long-lived assets and allowance for doubtful accounts.

a) Inventories

Inventory is valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business. Inventory consists of merchandise, food and beverages and custodial supplies.

2. Significant accounting policies (continued from previous page)

b) Capital assets

Capital assets are recorded at cost. Amortization is recorded over the estimated useful life of the assets as follows:

Buildings	-straight-line over 10 to 30 years
Equipment	-straight-line over 3 to 20 years

c) Long-lived assets

Long-lived assets consist of buildings and equipment. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

REAL performs impairment testing on long-lived assets held for use whenever events or changes in circumstances indicate that the carrying amount of an asset, or group of assets, may not be recoverable. The carrying amount of a long-lived asset is not recoverable if the carrying amount exceeds the sum of the undiscounted future cash flows from its use and disposal. If the carrying amount is not recoverable, impairment is then measured as the amount by which the asset's carrying amount exceeds its fair value. Any impairment is included in earnings for the year.

d) Revenue recognition

Event sales and recoveries, rental and lease revenue as well as food and beverage are recognized as services are provided. Long-term lease revenue is recognized on a straight-line basis over the term of agreements. Sponsorship and external funding is recognized based on the terms of the contract.

REAL has several long-term tenants on the grounds that pay annual rent or lease revenue based on the stipulated contract amount indicated in the lease for that year. For these long-term leases receivable REAL recognizes revenues over the term of the lease on a straight-line basis.

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

e) External funding

External funding received by REAL is accounted for as follows:

- i)

External funding to assist with the financing of capital asset additions are recorded as deferred capital contributions (note 6). The portion of the external funding equivalent to the annual amortization expense of the related asset is recognized annually as external funding.
- ii)

External funding that are restricted and not specifically intended for capital asset additions are recorded in revenue in the period the related expenses are incurred.
- iii)

Contributed materials and services are measured at fair value at the date of contribution if fair value can be reasonably estimated.

f) Financial instruments

All financial instruments are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received.

All of REAL's financial instruments are measured at amortized cost following initial recognition.

When an impairment is indicated, and when actual impairment has occurred, the financial instrument's carrying amount is reduced to its realizable value.

3. Bank indebtedness

REAL has an authorized line of credit with HSBC Bank Canada for \$6,788,661 (2020 - \$6,788,661) at a rate of prime - 0.25%. At December 31, 2021 there is an amount of \$1,725,223 outstanding on the line of credit (2020 - \$0).

4. Capital assets

	Cost		Accumulated amortization		Net book value	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Buildings	124,224,625	123,840,674	44,097,334	39,316,888	80,127,291	84,523,786
Equipment	10,051,769	8,776,859	6,455,606	5,198,897	3,596,163	3,577,962
	134,276,394	132,617,533	50,552,940	44,515,785	83,723,454	88,101,748

5. Term loans due on demand

	2021	2020
	\$	\$
Term demand loan up to \$8,000,000 payable to HSBC Bank Canada with 1 (one) annual principal payment of \$700,000, used for operations. Interest is paid monthly at prime - 0.3%. Due in December, 2033.	5,000,000	-
Term demand loan up to \$4,000,000 payable to HSBC Bank Canada in 5 (five) annual principal payments of \$280,000 based on the 10-year repayment period. Interest is paid monthly at prime - 0.25%. Due in May, 2023.	1,651,339	1,931,340
Term demand loan up to \$5,000,000 payable to HSBC Bank Canada with 1 (one) annual principal payment of up to \$1,000,000. Interest is paid monthly at prime - 0.25%. Due in May, 2023.	900,000	2,900,000
Term demand loan payable to RCAP Leasing in monthly payments of \$948 including interest at 5.6%. Secured by the equipment. Due in October, 2023.	19,779	29,739
Term demand loan payable to CWB National Leasing in monthly payments of \$3,045 including interest at 5.1%. Secured by the equipment. Due in August, 2025.	119,156	148,695
Term demand loan payable to CWB National Leasing in monthly payments of \$6,914 including interest at 3.7%. Secured by the equipment. Due in February, 2024.	172,420	-
Term demand loan payable to Stevenson Industrial Regrigeration Ltd. in annual payments of \$67,973 including interest at 0.0%. Secured by the equipment. Due in March, 2025.	271,891	-
Term demand loan payable to RCAP Leasing in monthly payments of \$3,617 including interest at 5.7%. Secured by the equipment. Due in September, 2021.	-	31,796
Total Term loans due on demand	8,134,585	5,041,570
Less: current portion	2,067,426	1,351,295
	6,067,159	3,690,275

The City of Regina has guaranteed all credit facilities with HSBC Bank Canada.

The terms of the term loans due on demand with HSBC Bank Canada requires a minimum debt service coverage covenant of 1.1 to 1. As at December 31, 2021, REAL was in violation of this covenant.

The estimated principal payments in the next five years are as follows:

2022	2,067,426
2023	2,262,045
2024	816,112
2025	789,002
2026	700,000
	6,634,585

6. Deferred grants and other contributions

	2021	2020
	\$	\$
Opening deferred grants and other contributions	78,281,037	82,121,750
Amounts received in year	241,471	21,659
Amounts transferred from deferred revenue and deposits	-	(21,659)
Amounts recognized in year	(3,840,713)	(3,840,713)
	74,681,795	78,281,037

7. Net (decrease) increase in non-cash working capital balances related to operations

	2021	2020
	\$	\$
Accounts and grants receivable	(1,123,705)	460,710
Inventories	(140,128)	143,734
Supplies and prepaid expenses	(441,958)	47,547
Long-term leases receivable	(169,298)	-
Accounts payable and accrued liabilities	917,372	6,761
Deferred revenue and deposits	(2,631,166)	4,420,999
	(3,588,883)	5,079,751

8. Share capital

	2021	2020
	\$	\$
Issued - 1 share (2020 - 1 share)	10	10

9. Financial risk management

REAL has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which REAL is exposed are as follows:

Currency risk
REAL is not exposed to significant foreign currency risk.

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. REAL is exposed to credit risk on the accounts receivable from its customers.

In order to reduce its credit risk, REAL has adopted credit policies, which include the review of a new customer's credit history and financial position before extending credit and conducting regular reviews of its existing customers' credit performances to reflect REAL's credit policies. The amounts disclosed in the Statement of Financial Position are net of allowance for doubtful accounts.

Liquidity risk
REAL's objective is to have sufficient liquidity to meet its liabilities when due. REAL manages liquidity risk through cash flow forecasting and regular monitoring of cash requirements to ensure that it has sufficient funds to fulfill its obligations.

The COVID-19 pandemic has had a significant impact on REAL's events sales and recoveries revenue, sponsorship sales and food and beverage revenue. The operating restrictions REAL has been forced to abide by, from Public Health Orders, has had a significant negative impact on REAL's ability to operate its business and has forced REAL to rely on its operating credit line, term demand loans and Government funding programs.

REAL has implemented a rolling 24 month detailed cash flow and monthly EBITDA forecasting tool to manage its liquidity risk. In addition, REAL established a loan credit guarantee as approved by the City of Regina.

9. Financial risk management (continued from previous page)

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in 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 the other financial assets and liabilities, known as price risk. REAL is exposed to interest rate cash flow risk with respect to its line of credit, which is subject to a floating interest rate (note 3) and on certain term loans due on demand (note 5). REAL is exposed to price risk on certain term loans due on demand (note 5).

10. Financial instruments

REAL's recognized financial instruments consist of cash, accounts and grants receivable, accounts payable and accrued liabilities, and term loans due on demand. The fair value of cash, accounts and grants receivable, accounts payable and accrued liabilities approximates carrying value given the short-term nature of the amounts. The fair value of term loans due on demand approximates carrying value based on the terms of the debt agreements.

11. External funding

On November 22 1997, REAL ceased operating its casino. In accordance with an agreement between REAL and the Province of Saskatchewan, a 30 year agreement was entered into whereby REAL will receive \$2,600,000 annually to maintain it's earnings.

12. Contingencies

REAL is subject to certain legal matters arising in the normal course of business, none of which are expected to materially affect the financial results of REAL.

13. Related parties

During the year, REAL conducted business with the City of Regina in the normal course of operations and at prices equivalent to unrelated purchases, as follows:

	2021	2020
	\$	\$
Revenue for the year:		
External funding	1,631,297	1,295,805
Event sales and recoveries	3,974,966	3,610,361
Rental and lease revenue	3,172,523	1,772,742
Food and beverage	5,423	246,239
Expenses for the year:		
Administration, supplies, and services	789,648	141,527
Utilities	246,840	206,090
Accounts receivable	400,188	-
Accounts payable	697,415	113,989

The buildings and other facilities of REAL are located on the land that belongs to the City of Regina. Such land is being used by REAL at no consideration.

14. Contractual rights

Effective April 11, 2018, REAL entered into a 3 (three) year and 9 (nine) month Operating & Maintenance agreement with the City of Regina for Mosaic Stadium. The contract includes a renewal term for 5 (five) consecutive terms of 5 (five) years each, and in 2021 the first five-year renewal term was executed. REAL is paid an annual base building fee to operate and maintain the stadium as well as a game day fee to provide services to the Saskatchewan Roughrider Football Club.

REAL has signed agreements with various other organizations and companies that provide REAL with the contractual right to future revenue streams.

14. Contractual rights (continued from previous page)

Future collections from the stadium Operating & Maintenance agreement with the City of Regina and other funding, sponsorship and lease agreements are estimated as follows:

Year	Amount
2022	9,011,770
2023	7,467,390
2024	7,521,616
2025	7,365,064
2026	7,176,232

15. Contractual obligations

Under the terms of the agreement with the City of Regina as described in Note 14 *Contractual Rights* , REAL has the exclusive right and license to provide food and beverage services. REAL has agreed to repay the City of Regina for the funding required to complete the food and beverage areas. The repayment is an annual fee of \$300,000.

Year	Amount
2022	300,000
2023	300,000
2024	300,000
2025	300,000
2026	300,000

16. Commitment

As at December 31, 2021, REAL has a funding commitment of \$4,008,000 to the City of Regina towards the construction of Food & Beverage assets in Mosaic Stadium.

17. Government COVID-19 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 was retroactive to March 15, 2020. Beginning October 24, 2021, the CEWS was replaced with two new programs offering wage support, the Tourism and Hospitality Recovery Program (THRP) and the Hardest-Hit Business Recovery Program (HHBRP). The qualification and application of these programs is assessed over multiple four-week application periods. REAL has applied for and received government assistance related to these programs in the amount of \$2,956,688 which has been reflected in revenue. REAL expects to continue to apply for the subsidies after year-end but any future assistance will be dependent on REAL's revenue declines as a result of Covid-19.

REAL also applied, was approved and received \$50,000 from the Government of Canada under other COVID-19 relief programs, which has been reflected in revenue.

REAL also applied, was approved and received funding from the Provincial Government of Saskatchewan as part of their COVID-19 relief programs. A total value of \$405,479 was received and recorded as revenue.

18. Comparative figures

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



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