

Hockey Calgary
Treasurer's report
2014/2015 fiscal year

To the members of Hockey Calgary

I am pleased to present the Treasurer's report for the fiscal year ended April 30, 2015.

Year in review

The 2014/2015 year finished with a healthy balance sheet and surplus from operations. Operations and management related to financial matters were handled by Kevin Kobelka and Beth Long for day to day activities in FY 2014/2015.

Similar to FY 2013/2014 we started this fiscal year with a budget for operations that was approved by the board at the beginning of the fiscal year before the hockey activity was underway. We had set ourselves an objective to have a budget for the "season" that we could use to monitor the operations and ensure control of the financial affairs of Hockey Calgary and enable the regular review and assessment of Hockey Calgary's operations. We set the objective to have the 2015/2016 budget completed prior the end of the 2014/2015 fiscal year and we were successful in achieving that.

The committee for FY 2014/2015 included Dan Katz, Brad Trumble and myself as the chair of the committee. The committee's main functions and achievements included:

- Establishment of an operating budget for the 2014/2015 operating year of Hockey Calgary.
- Presentation of the budget to president's council and subsequent presentation of updates to the budget with actual results through the year. During FY 2014 and

FY 2015 Kevin Kobelka continued to as part of his role as executive director, to present the financial results to president's council on behalf of the committee. As the financial results and management of the financial affairs is the responsibility of management, this was an appropriate process to deliver the information.

- Continued enforcement of the basic controls related to the financial operations in conjunction with management of Hockey Calgary to address expenditure and cash controls.
- Review of the operation of the controls during the year and assessment of any weaknesses arising
- Review of the quarterly financial statements and payments/expenses processed by Hockey Calgary by the finance committee
- Interaction with the independent external auditors in respect of their audit of the financial statements

Results for the year ended April 30, 2015 (FY 2015)

Revenues for FY 2015 were \$5,421,429 representing an increase over FY 2014 of \$280,761. The main changes in revenue related to

- An increase in revenue from operations of \$174,092 consisting primarily of increased Ice rental income that reflected primarily an increase in the overall charge per hour of ice time due to an increase in the per hour charge for ice from the city which is passed onto the associations.
- An increase in Events revenue of \$11,589 that was primarily related to unexpected revenue from the Edge Schools "Kids Play 4 Kids" event held last March.
- Additional fundraising revenue of \$13,537 was generated in the year primarily from additional funds raised in the Hockey Calgary Golf Tournament (\$5,000) and additional Casino revenues over FY 2014 (\$7,000).

- Member services revenue increased by \$65,788 primarily consisting of the additional fees charged to the Associations for the Hockey Alberta fees as these fees are passed through to the Associations. These fees are a factor of the rates charged by Hockey Alberta and the number of teams/players each Association has.

Expenses for FY 2015 were \$5,060,518 representing an increase over FY 2014 of \$265,527. The main changes in expenses related to

- Operations expenses which primarily consist of ice rental costs charged to Hockey Calgary which increased by \$203,268 from \$3,038,916 to \$3,242,184.
- Administration expenses increased by \$24,940 primarily related to salaries and benefits.
- Overall Development expenses increased by \$12,690 primarily related to player development expenses for the Hockey Calgary workshop held in November and the partnership with Hockey Canada and Bauer for the “First Shift” program.
- Fundraising expenses were in line with FY 2013/2014 in total by the end of the year. The main reason for this was related to additional funds obtained for the Even Strength program in the year that offset the expected cost to Hockey Calgary. Traditionally Hockey Calgary had funded approximately \$30,000 towards the Even Strength program but through continued efforts by management to seek additional funding, Hockey Calgary was able to cover this cost in FY 2015/2014 with additional funds from CN Rail and Glenlake Minor Hockey.
- Marketing expenses decreased by approximately \$30,500 related primarily to no costs incurred in FY 2015 related to the ATB sponsorship (\$39,000 in FY 2014).
- Member Services costs increased by \$50,442 which represents the increased charges from Hockey Alberta and Hockey Canada that are based on the number of teams and players in the year but also was affected by an increase in the charges from Hockey Alberta.

Balance sheet

- Hockey Calgary ended FY 2014/2015 with a strong working capital position, \$1,205,853 up from \$831,780 in FY 2013/2014 due principally to improved profitability from operations, which are mainly of a cash nature. Hockey Calgary continues to make their annual contribution (\$160,000) towards the funding commitment to the City of Calgary relating to the construction of Max Bell 2 rink

that provides Hockey Calgary with a right of first refusal with respect to ice times. There remains two additional years of the funding commitment (\$320,000) to be fulfilled by Hockey Calgary and the principal source of funding for this commitment is the \$10 per player levy included in the overall Hockey Calgary fees and the restricted investments.

- Additional expenditures were incurred in FY 2013 to upgrade the computers and some of the office equipment at Hockey Calgary and this has served well, not requiring significant expenditure in FY 2014/2015. We continue to monitor the needs of the operations of Hockey Calgary to assess if there are further requirements for the operations. At this time there is no significant capital expenditure requirements anticipated for Hockey Calgary.

Audit of the financial statements of Minor Hockey Association of Calgary

- Hockey Calgary has engaged the firm of Kenway Mack Slusarchuk Stewart LLP to complete the audit of the financial statements of Hockey Calgary again in FY 15
- The audit was conducted primarily during May and the auditors worked with management, principally, Beth Long to complete the engagement. Before the start of the Audit of the Association, I, along with Kevin and Beth, met with the auditors to review the scope of the engagement for FY 2014 and agree the audit plan with the auditors.
- Kenway Mack have also produced a report on their findings arising from the Audit and we will review this with management to ensure all recommendations are considered and where necessary implemented
- The audit of the financial statements has been substantially completed at the time of writing this report and the auditors are only requiring the final approval by the board of these financial statements before they release their audit report in final.

Financial statement approval

- The board of Hockey Calgary met on June 24, 2015, immediately preceding this meeting to receive the audited financial statements and approve them for submission to the members.

- **Thanks to Beth Long and Kevin Kobelka for their continued focus on managing the day to day financial affairs of Hockey Calgary and providing oversight and financial control of the activities of Hockey Calgary.**

Respectfully submitted,

Ian Gunn, Treasurer