

Hockey Calgary

Treasurer's report

2015/2016 fiscal year

To the members of Hockey Calgary

I am pleased to present the Treasurer's report for the fiscal year ended April 30, 2016.

Year in review

The 2015/2016 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 2015/2016.

Similar to FY 2014/2015 we started this fiscal year with a budget for operations that was approved by the board at the beginning of the fiscal year. 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 2016/2017 budget completed prior the end of the 2015/2016 fiscal year and we were successful in achieving that.

The committee for FY 2015/2016 included Dan Katz (until February), 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 2015/2016 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 2015 and FY 2016 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, 2016(FY 2016)

Revenues for FY 2016 were \$5,676,245 representing an increase over FY 2015 of \$254,816. The main changes in revenue related to

- An increase in revenue from operations of \$172,662 consisting primarily of increased fees for referees under the updated agreement with Central Zone and additional Ice rental income which is passed onto the associations.
- Additional development revenue of \$15,033 was recognized in the year related to the Girls Hockey Development using funds received from the World under 18 Women's Championship.
- Funding revenue declined by \$58,096 primarily related to no Casino revenues in 2015/2016 as there was no Casino that Hockey Calgary participated in this fiscal year

- Member services revenue increased by \$84,597 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
- Further there was an increase in the Hockey Calgary fee revenue associated with an increase in number of participants.

Expenses for FY 2016 were \$5,384,371 representing an increase over FY 2015 of \$323,853. The main changes in expenses related to

- Operations expenses which primarily consist of ice rental costs charged to Hockey Calgary increased by \$225,802 from \$3,242,184 to \$3,467,986.
- Events expenses increased by \$31,786 primarily related to increase in referees of \$17,500 primarily due to increase playoff officials, partly due to an increase in their rate and partly due to an increase in the number of games; increase of \$10,550 in awards partly due to incremental increased costs of medals for EMHW, playoffs and BT Atom as well as \$6k for the purchase of City Champion hats and increase of \$12k in other expenses related to the purchase of EMHW apparel for resale.
- Fundraising expenses were increased by \$34,000 primarily related to \$15,800 related to the Flames Even Strength program being the additional costs incurred in supporting the program that was not covered by funds from Flames Foundation and other supporters of the program. An additional \$18,900 was incurred related to a donation to Comries Sports Bank of \$15,000 and other fundraising support. .
- The above increases were offset by a \$20k reduction in marketing expenses compared to 2015.
- Member Services costs increased by \$33,703 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 2015/2016 with a strong working capital position, \$1,498,525 up from \$1,205,853 in FY 2014/2015 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 one additional year of the funding commitment (\$160,000) to be fulfilled by Hockey Calgary.

- Accounts receivable were \$83k lower than in 2014/2015 with the majority of the reason for the decrease was related to accounts receivable that were accrued in for the monies owed to Hockey Calgary relating to the Casino event.

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 16
- 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, , we discussed the areas of risk for the audit were discussed with the auditors to review the scope of the engagement for FY 2016 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 will meet on June 22, 2016, 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