



HOCKEY CALGARY

**Treasurer's report**  
**2016/2017 fiscal year**

**To the members of Hockey Calgary**

I am pleased to present the Treasurer's report for the fiscal year ended April 30, 2017.

**Year in review**

The 2016/2017 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 2016/2017.

Similar to the last 3 years 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. Keeping with that tradition, the budget for 2017/2018 has been prepared and approved by the board before the start of the current year. The committee for FY 2016/2017 included Brad Trumble, Joe Strang and myself as the chair of the committee. The committee's main functions and achievements included:

- Establishment of an operating budget for the 2016/2017 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 2017 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 and reviewing any suggestions for improvements

### **Results for the year ended April 30, 2017 (FY 2017)**

**Revenues for FY 2017 were \$5,756,727 representing an increase over FY 2015 of \$80,482. The main changes in revenue related to**

- An increase in revenue from operations of \$79,961 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.
- Marketing revenue declined in FY 2017 by \$33,581, primarily as a result of the ATB Funding for REC Hockey that was obtained in FY 2016 but was not continued in FY 2017.
- Funding revenue was flat compared to FY 2016 but no longer includes the revenues from the Hockey Calgary Golf Tournament. As described below, the revenue and expenses from the operation of the tournament are now being classified with the Access to the Game fund and no longer reported in revenues.

- Member services revenue increased by \$26,345 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 2017 were \$5,491,736 representing an increase over FY 2015 of \$107,365. The main changes in expenses related to**

- Operations expenses which primarily consist of ice rental costs charged to Hockey Calgary increased by \$78,020 from \$3,467,986 to \$3,546,006.
- Events expenses increased by \$19,887 primarily related to increase in referees costs, partly due to an increase in their rate and partly due to an increase in the number of games.
- Fundraising expenses decreased by \$62,090 primarily related to the establishment of the Access to the Game Fund (discussed below) which has removed the costs of the support of the various programs, such as the Flames Even Strength program to now allocate the costs to the Fund.
- Marketing expenses were \$67,392 higher in FY 2017 primarily related to advertising expenditures that were budgeted as part of the refreshed look of Hockey Calgary and the “Hockey Inspires” campaign to increase awareness of minor hockey in Calgary and promote the game on all levels.
- Member Services costs increased by \$22,476 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.
- Administration expenses declined in the current year by \$15,479 which primarily was the result of a less support costs incurred than expected for Web Site support and some savings on office administration.

**Balance sheet**

- Hockey Calgary ended FY 2016/2017 with a strong working capital position, \$1,865,439 up from \$1,498,535 in FY 2015/2016 due principally to improved profitability from operations, which are mainly of a cash nature and no current

year funding of the Max Bell 2 commitment (\$160,000) to the City of Calgary. The full amount of the commitment has now been paid during FY 2017 which related to the construction of Max Bell 2 rink that provides Hockey Calgary with a right of first refusal with respect to ice times.

- Capital assets increased in the year by \$58,177 primarily related to costs incurred in the development of the scheduling software that have been capitalized in the year and are being amortized over 5 years.
- Restricted contributions have increased slightly in the current year due mainly to the addition of the 'Access the Game Fund". This fund was approved and internally restricted by the Board for the purposes of supporting individuals and families in Calgary that may not be able to afford to play the game and other programs that enable more access to hockey. The sources of funds for the Access to the Game Fund are principally from the Flames Even Strength program, proceeds from the annual Hockey Calgary Golf Day (held June 19<sup>th</sup>) and other contributions received that the contributor requests are to be used for enhancing access to the Game. The costs associated with supporting this program include – payments to Hockey Calgary families that have applied for assistance, costs of hosting the golf tournament and other costs incurred supporting the program. The net balance of the Fund is \$29,209 at April 30, 2017 and is hoped to grow in future years.

### **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 17
- 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 2017 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