

Hockey Calgary



Treasurer's report

2017/2018 fiscal year

To the members of Hockey Calgary

I am pleased to present the Treasurer's report for the fiscal year ended April 30, 2018.

Year in review

The 2017/2018 year finished again 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 2017/2018. I would especially like to thank Beth for her efforts on maintaining the financial records, developing the budget and keeping the Finance Committee informed of progress during the year.

Similar to the last 4 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 4 years ago 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 2018/2019 has been prepared and approved by the board before the start of the current year. The committee for FY 2017/2018 included Brad Trumble, Joe Strang and myself as the chair of the committee. As this is my last year as Treasurer, we have also had Theresa Roessel, the proposed new treasurer (and current board member) attend all committee meetings this year to enable her to get up to speed

on the processes, controls and operations at Hockey Calgary. The committee's main functions and achievements included:

- Establishment of an operating budget for the 2017/2018 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 2018 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, 2018 (FY 2018)

Revenues for FY 2018 were \$5,634,131 representing a decrease of \$122,596 from FY 2017. The main changes in revenue related to:

- An increase in revenue from Development of \$46,616 consisting primarily of revenue of just over \$50,000 obtained from the fees for Leadership development conference held in the fall of 2017 – There were costs of approximately \$40,000 incurred related to the hosting of this conference resulting in a net contribution to Hockey Calgary.
- Funding revenue is lower in FY 2018 by just over \$61,000 mainly due no Casino anticipated or occurring in FY 2018. There was a Casino late in 2018 that took place and only approximately \$5,000 of revenue was recognized with \$60,560

deferred on the balance sheet. The amount recognized as revenue was limited to the amount of the expenses incurred related to the payment to associations for volunteers at the Casino. The remaining amount is being deferred and will be recognized in FY 2019 when appropriate expenses have been incurred. Any funds earned from sources such as the Golf Tournament and related events associated with the Even Strength program have been allocated to the Access to the Game fund – in line with the board approved process implemented in FY 2017.

- Operations revenue decreased by approximately \$147,000 mainly associated with less available ice with more rinks operated by the City of Calgary not being on-line and were unavailable reducing the amount of ice that Hockey Calgary could sell to associations.

Expenses for FY 2017 were \$5,392,270 representing a decrease from FY 2017 of \$99,466. The main changes in expenses related to:

- Operations expenses which primarily consist of ice rental costs charged to Hockey Calgary decreased by \$159,693 from \$3,546,006 to \$3,386,313.
- Development costs increased by \$45,457 primarily related to the costs incurred associated with the Leadership development conference
- Marketing expenses were \$48,902 lower than FY 2017 primarily related to advertising expenditures that were budgeted as part of the refreshed look of Hockey Calgary and the “Hockey Inspires” campaign that were incurred in FY 2017 but did not recur in FY 2018.
- Administration expenses increased in the current year by \$52,396 which primarily was the result of a more support costs incurred than expected for Web Site support of \$21,000 and additional depreciation expenses incurred on a larger amount of capital assets being used by Hockey Calgary and increase cost of benefits for employees.

Balance sheet

- Hockey Calgary ended FY 2017/2018 with a strong working capital position, \$2,056,913 up from \$1,885,339 in FY 2017 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 was 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 \$50,287 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 in the current year primarily due to \$300,000 from the City of Calgary related to coming to an agreement with the City related to the charges for ice times and the portion of the cost of ice allocated to the floods between rental periods. Hockey Calgary had been in discussions with the City for a number of years to address this matter and it was resolved in the current year. As there was no certainty on the conclusion of this matter in prior years – no amount was considered receivable. As this matter related to ice time charges the board determined that this amount should be allocated to the “Future Projects” restricted contributions that are intended for potential additional ice surfaces in 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 18
- 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 2018 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 20, 2018, 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