



Fort McMurray Minor Hockey (1981) Association

Travis Galenzoski – Fort McMurray Minor Hockey President
Craig Organ – Frank Lacroix Arena Facility Operations Manager

November 27, 2019

2020 Sustaining Grant Request

Organization Mandate

Mandate of organization:

- To provide quality recreation, sport & leisure services to the citizens within our region.
- To promote youth development through participation in sport.

Community Served:

- The services provided are available to all communities within the Municipality.
- Minor Hockey's Current Membership: As of October 15, 2019 there were 1,187 registered minor hockey players; approx. 70 Wood Buffalo House League Teams; and 7 Elite Teams (travel teams representing Fort McMurray provincially)

Goals for 2019:

- Continued growth and success in youth development through sport & active living.
- Continued partnership with the RMWB on the operation & management of the Frank Lacroix Arena (1996 – Present).

Programs/services to be funded by the grant:

- Maintenance, operation & management of the Frank Lacroix Arena.

Community Impact

Frank Lacroix Arena provides the following services:

- Ice Season (Mid August to Mid June annually)
- Concession Stand (food and beverage service)
- Skate Sharpening/Repair Shop
- Multipurpose Room Rental for private functions, hockey clinics, meetings, etc.

During the 2018-2019 season:

- 2,515 hours of ice time used (1,980 youth hours, 535 adult hours)
- 748 hours of room usage
- Hosted 44 Provincial AA Hockey Games and the Bantam AA Provincial Playdowns
- Hosted 23 Provincial A Hockey Games
- Regular community ice user groups at the Frank Lacroix Arena include
- Minor Hockey, McMurray Mountaineers, Phantoms, Total Athlete Development, Athletic Edge, Wood Buffalo Hockey School, ATC Goalie Camp, Noralta, Club 63, Shift League, McMurray Gentlemen's League, Old Timers Hockey

2020 Grant Request

2020 Grant Request	
Revenue	\$459,000
Expense	\$989,000
Subsidy Requested	\$530,000
Subsidy represents 54% of total expenses	

Previous Year's Financial Information	
Last Fiscal Year End Date	May 31, 2019
Total expenses from previous year	\$931,675
Unrestricted Net Assets	(5,157)

Expense Summary

Cost Category	Total Expense	Funded by RMWB
Salary/Wages (7 full time staff, 3 part-time staff)	\$502,000	\$250,000
Program Costs	\$0	\$0
Overhead (utilities, insurance, etc.)	\$487,000	\$280,000
TOTAL	\$989,000	\$530,000

Community Investment History

2020 Request	2019	2018
\$530,000	\$460,000	\$443,000

The increase in funding is to replace losses incurred in the previous two fiscal years 2017-2018 (\$28,737) and 2018-2019 (\$41,862)

Primary Reasons for Deficits:

- New Operating Agreement increased maintenance threshold from \$5K to \$10K (RMWB now pays for works over \$10K);
- Aging equipment nearing the end of its lifecycle that now requires more component repairs and replacements;
- The addition of a back-up generator in 2017 has increased operational costs;
- Increase in staff to help work toward COR Safety as recommended by the RMWB.

Fort McMurray Minor Hockey (1981) Association
2020 Sustaining Grant Analysis

CIP Grant Summary:

2017	2018	2019	2020 Request	2020 Recommended by CIP	Variance Recommended vs. Requested
443,000	443,000	460,000	530,000	530,000	-

Fiscal Year End	Total Expenses	Unrestricted Net Assets
May 31, 2019	931,675	(5,157)

Notes:

FMMHA has an Operating Agreement with the RMWB for the operations of Frank Lacroix Arena, effective to September 2021.

Increase to off set 2019 loss, and increase in utilities.

Budget Line Description	2020 Total Budget	2020 Grant Request	2020 Recommended
Revenues			
RMWB Sustaining Grant	530,000	530,000	530,000
Minor Hockey Ice	147,000	-	-
Ice Users - Adult	90,000	-	-
Ice Users - Youth	44,000	-	-
Concession Revenue	157,000	-	-
Site Share/Multipurpose Room/Advertising	21,000	-	-
Total Revenues	\$ 989,000	\$ 530,000	\$ 530,000
Expenses			
Wages & Benefits (Arena & Concession)	502,000	304,000	304,000
Office Expense	14,000	7,000	7,000
Service Expense	42,000	20,000	20,000
Repair & Maintenance	54,000	30,000	30,000
Utilities	178,000	78,000	78,000
Supplies	34,000	20,000	20,000
Facility Service Contract	25,000	15,000	15,000
GST Non Refundable	10,000	6,000	6,000
Concession Supplies	80,000	-	-
Short Term Loan to Offset Loss from 2019	50,000	50,000	50,000
Total Expenses	\$ 989,000	\$ 530,000	\$ 530,000
Total Surplus (Deficit)	\$ -	\$ -	\$ -

2020 Sustaining Grant Application for Grant Funding

The grant program under which your organization is applying has specific eligibility requirements. The Application Form should clearly show how the proposed event meets these requirements. The Application Form, including all required attachments, must be received by the closing date. **Late or incomplete applications will not be processed (Community Investment Program Policy FIN-220, Section 3.1.5).**

In order to complete this application for funding, please read the following thoroughly:

- 2020 Sustaining Grant Guidelines

If you have reviewed the 2020 Sustaining Grant Guidelines and have any questions regarding this application form or eligibility, please contact CIP@rmwb.ca.

Organization Name: The Fort McMurray Minor Hockey (1981) Association

Declaration: In making this application, we, the undersigned, confirm:

- that we have read the Sustaining Grant Guidelines;
- that we understand that this application form and all attachments shall be part of the **public** Council agenda and accessible through all methods that the Council agenda is available;
- that we understand that this application form and all required attachments must be completed in full and received before 4:30 p.m. MT on Monday, September 23, 2019;
- that we understand the term of the Sustaining Grant is January 1 to December 31, 2020 and that all expenditures must happen during this term; and
- that we are authorized by the applicant organization to complete the application and hereby represent to the Regional Municipality of Wood Buffalo's Community Investment Program and declare that to the best of our knowledge and belief, the information provided is truthful and accurate, and the application is made on behalf of the above-named organization and with the Board of Directors' full knowledge and consent.

Board Member(s) and/or
Executive Director Initials:

<u>TMJ</u>	<u>OP</u>
<u>TMJ</u>	<u>OP</u>
<u>TMJ</u>	<u>OP</u>
<u>TMJ</u>	<u>OP</u>
<u>TMJ</u>	<u>OP</u>

Travis Galenzoski

Signature of Board Member
(must have signing authority)

Travis Galenzoski

Print Name

2019-09-19

Date: (YYYY-MM-DD)

Jody Seymour

Signature of Board Member or Executive Director
(must have signing authority)

Jody Seymour

Print Name

2019-09-19

Date: (YYYY-MM-DD)

Sustaining Grant Part A - Organization Summary

1. Organization Details

Organization Name:	The Fort McMurray Minor Hockey (1981) Association
Street Address:	155 Beaconwood Road
City/Hamlet:	Fort McMurray
Province:	Alberta
Postal Code:	T9H 3R5
Phone Number:	780-791-7358
Email Address:	s.17 (1)
Act Registered Under:	Societies Act (Alberta)
Registration Number:	502707011

Note: Organization must be in good standing to receive funding.

2. Main Contact

Title:	Facility Operations Manager
Name:	Craig Organ
Daytime Phone:	s.17 (1)
Email Address:	s.17 (1)

3. Executive Director

Name:	JodyAnn McSkimming (Vice President of Operations)
Daytime Phone:	s.17 (1)
Email Address:	vpops@fmmha.com

4. Board Chair / President

Name:	Travis Galenzoski (President)
Daytime Phone:	s.17 (1)
Email Address:	president@fmmha.com

Note: Should any of the contact details in Questions 2 to 4 change before December 31, 2020, please advise the Community Investment Program at CIP@rmwb.ca

Part B - Board Questionnaire

9. Are any board members being paid, or receiving an honorarium, for being on the Board or for other positions in the organization outside of their role on the Board? Yes ☐ No ☒

If yes, complete the following table:

Board member name	Paid role on the board / organization	Amount received

10. What are the restrictions (if any) on becoming a member of your organization or participating in programs or services?

There are no restrictions
All returning members must be in good standing
There is a nomination and voting process for board member selection

11. How often does the Board review the financial position of the agency? What efforts have been made in the past fiscal year to increase the number and types of financial support for your organization?

Semi annual reviews by the board, monthly reviews by management employees
Actively searching and approaching sponsors during the minor hockey season.
Increase of membership fees as required
Grant applications when applicable

The personal information collected in this application is collected under the authority of section 33(c) of Alberta's Freedom of Information and Protection of Privacy (FOIP) Act. It will be used to process the application and contact you if needed, during the review of this application. If you have any questions about the collection and use of the personal information you may contact the Manager, Community Investment Program, at 9909 Franklin Avenue, Fort McMurray, AB T9H 2K4 or at (780) 743-7918.

Part C - Strategic Plan

The Regional Municipality of Wood Buffalo 2018-2021 Strategic Plan focuses on the vision of a vibrant, sustainable region we are proud to call home. It identifies four key strategic priorities to achieve this goal: Responsible Government, Downtown Revitalization, Regional Economic Development, and Rural and Indigenous Communities and Partnerships. The Community Investment Program aims to assist non-profit agencies to achieve the goals and objectives outlined in the Municipal Strategic Plan.

The Sustaining Grant subsidizes organizations to operate and maintain Municipally-owned assets and/or contribute toward the key strategic priorities identified above. Please indicate which category that is applicable to the organization.

- ☒ Operator of a Municipally-owned asset (Please continue to Part E on page 8)
- ☐ Provide programs and services related to the collection, preservation and display of regional heritage and culture in a museum setting (Strategy & Initiatives #1a and #1c)
- ☐ a) the development of the arts community (Strategy & Initiative #1f);
b) progression of interests of the social profit sector (Strategy & Initiative #1i);
c) advancement of cultural diversity (Strategy & Initiative #3f); or
d) promotion of the economic diversification of the Municipality (Strategy & Initiative #3b)
- ☐ Provides strategic programs/services that are of benefit to the entire region

Part D - Organization Questionnaire

12. What year did the organization complete its last business plan or strategic plan?

13. Provide a brief overview of the organization's strategic priorities:

Part D - Organization Questionnaire

14. Describe the elements, activities, or events that the organization is seeking this funding for:

- 15. Explain how the operations/programming will achieve the objectives of the Municipal Strategic Plan as indicated on page 5:**

Part D - Organization Questionnaire

- 16. Describe any other funding initiatives the organization has taken or is planning to implement to further support this request for Sustaining Grant funding:**

- 17. Current Volunteer Information:**

	Per Organizational Needs:	Currently Filled:
Program & Services Volunteers		
Fundraising Volunteers		
Committee Volunteers		
Administrative Volunteers		
Total Organization Volunteers (Count each only once)		

Part E - Financial Information, Budget Request & Cash Flow

18. Current Staff Information:

	Per Organization Chart:	Currently Filled:
Full Time Positions	7	7
Part Time Positions	5	5

19. Please explain any cost savings initiatives the organization has, or is planning, to implement:

Utility costs continue to climb. In an effort to reduce consumption we have completed the following facility projects in 2019

Ice Plant (New Valves and Regulators for the Subcoolers. This part of the system is now fully automated as well for maximum efficiency and should reduce compressor run times significantly)

Replaced the Reznor Heater over the player's benches with a radiant tube heater. This heater is more efficient and will be automated as well to cut down on run time when the building is unoccupied

Spray foam insulation has been applied to the space between the block walls and the roof in all four dressing rooms. These areas have incurred significant heat loss in the past.

Installation of a mechanical trip switch on the overhead door leading into the Zamboni room. This switch disconnects the heat each time the door is fully open

20. 2020 Grant Request:

Total 2020 Budgeted Revenue (excluding RMWB Sustaining Grant)	\$	459,000.00
Total 2020 Budgeted Expenses	\$	989,000.00
Surplus* / (Deficit)	\$	(530,000.00)

2020 Sustaining Grant Request Amount: **\$ 530,000.00**

* If in a surplus position, organization is not eligible for a Sustaining Grant.

Please Indicate Preferred Cash Flow, if approved:**

January/February \$ 268,500.00 April \$ 100,000.00

(no more than 75% of request)

August \$ 100,000.00 October \$ 61,500.00

**** Must have minimum of 25% to be disbursed between August and December. There will be no funds released in July, as six-month reports are due by July 31 and require Administrative review prior to August/October disbursements.**

21. Provide any additional information that may assist in developing a better understanding of your organization or its services/programs during the grant review.

Part F - Required Attachments for Application

22. The following attachment **MUST** accompany your application. Failure to submit the following will result in your application being deemed incomplete.

- ☒ A detailed budget showing projected 2020 revenue and expenses
- ☒ 2020 Business Plan or Strategic Plan
- ☐ Logic Model (if available)
- ☒ Financial Statements of the most recent fiscal year

In Person or By Mail:

Community Investment Program
Community Services
Regional Municipality of Wood Buffalo
9909 Franklin Avenue
Fort McMurray, AB T9K 2K4

OR

By Email: CIP@rmwb.ca

LATE or INCOMPLETE applications will not be processed
(Community Investment Program Policy FIN-220, Section 3.1.5)

Fort McMurray Minor Hockey

2020 Business Plan

INTRODUCTION

Purpose

In July of 1995 the Fort McMurray Minor Hockey Association and the Regional Municipality of Wood Buffalo entered into a lease agreement whereas Minor Hockey became operators of the Beacon Hill Arena (now the Frank Lacroix Arena). The facility is an arena complex consisting of a single ice surface, food concession, multipurpose room, skate shop, and the FMMHA office and boardroom.

Our intent is to extend this partnership with the RMWB so we can continue to provide quality recreation and sport services to the citizens in the region.

Vision

We intend to continue our long standing reputation as being a community based organization and facility. We take pride in the quality of product we provide, the experiences we offer, and our level of customer service. We look forward to future success and a high level of customer satisfaction.

Goals

- To provide quality recreation and sporting opportunity
- To provide an opportunity to learn the game of hockey
- To provide a forum for athletic skill development and interpersonal skills
- To offer coach training and development
- To promote fitness and active lifestyle
- To teach respect in sport
- To promote volunteerism and the positive impact it has

Organizational Structure and Governance

- | | |
|---------------------|---------------------|
| • President | Travis Galenzoski |
| • VP of Operations | Jody McSkimming |
| • VP of Admin | Jody Seymour |
| • Secretary | Shannon Smith-Gagne |
| • Treasurer | Kelly Roberts |
| • Hockey Operations | Roland Saunders |
| • Facility Manager | Craig Organ |

The Fort McMurray Minor Hockey Association is affiliated with the Alberta Amateur Hockey Association (Hockey Alberta) and the Canadian Hockey Association (Hockey Canada).

The Fort McMurray Minor Hockey Association does maintain and utilize a set of written policies known as "Rules and Regulations, which are consistent with these By-laws, to stipulate, guide and govern the operations and activities of the Association.

Please visit our website for more details (www.fmmha.com)

STRATEGIC GOALS

- To maintain a strong partnership with the municipality
- To maintain volunteer commitment
- To seek and implement knowledgeable and dedicated board members
- To seek and train quality staff
- To attract corporate sponsorship
- To seek all available revenue sources including grants and fundraisers

PROGRAMS & INITIATIVES

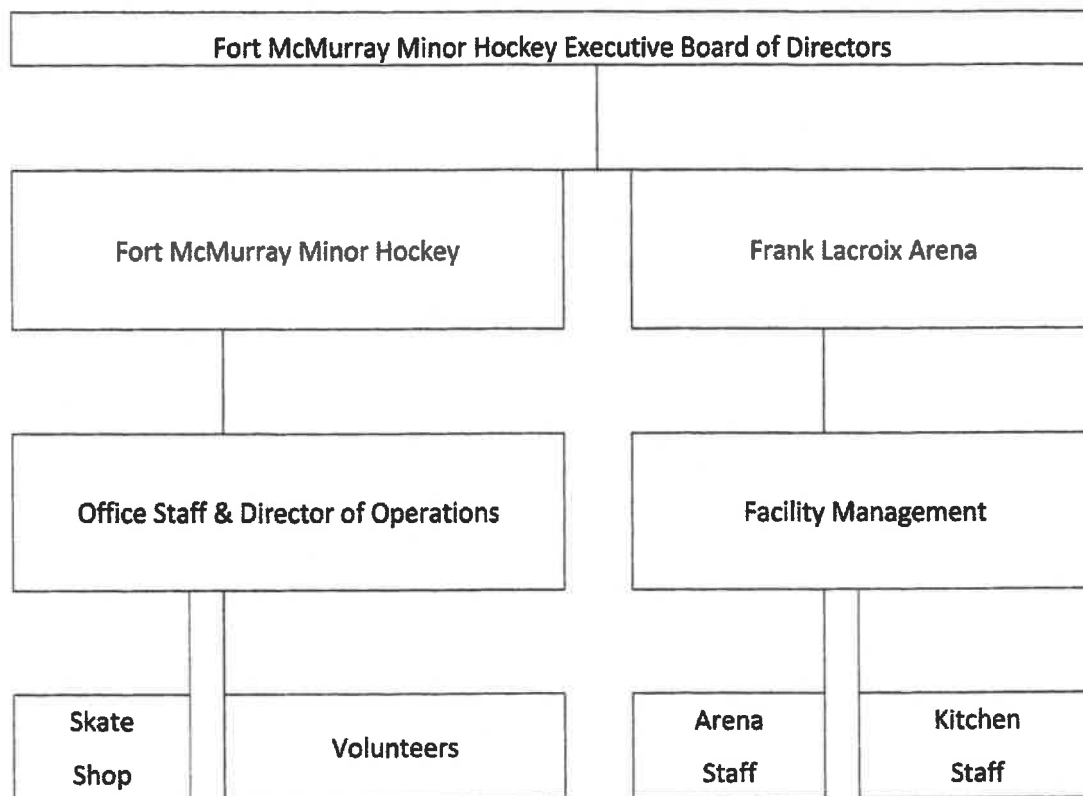
Minor Hockey programs and services offered through the Frank Lacroix Arena:

- Youth and adult ice
- General skating
- Room rental for a wide variety of functions
- Food and beverage services
- Skate shop service

The Minor Hockey Association and the Frank Lacroix Arena have implemented the following programs and strategies to help reduce cost, improve efficiency, and enhance customer service:

- Development and maintenance of an informative website
- Advertisement for training programs, hockey clinics, etc.
- Online access to available ice schedules
- Online hockey registration
- Development of sponsorship packages and recognition opportunities for teams, divisions, and the association in general
- Fundraising through casino applications, chocolate almond sales, and grant applications
- Implementation of respect in sport training obligation and volunteer commitment
- Promotion of financial support programs

ORGANIZATION CHART



DETAILED BUDGET

Frank Lacroix Arena 2020 Projected Budget

Revenue

ATM Site Share	\$2,000.00
Multipurpose Room	\$5,000.00
Minor Hockey Ice	\$147,000.00 (15% Fee Hike Included)
Ice Users – Adult	\$90,000.00 (9% Fee Hike Included)
Ice Users – Youth	\$44,000.00 (15% Fee Hike Included)
Ice Users – Public Skating	\$2,000.00
Municipal Operating Grant	\$530,000.00
Concession Revenue	\$157,000.00
Signs & Ice Logos	\$12,000.00
Total Revenue	\$989,000.00

Expense

Short Term Loan to Offset Loss from Last Year)	\$50,000.00
Office Expense (Accounting, Insurance, Training, Bank Fees)	\$14,000.00
Service (Fuel, Security, Fire System, Snow Removal, etc.)	\$42,000.00
Wages & Benefits (Arena)	\$430,000.00
Wages & Benefits (Concession)	\$72,000.00
Maintenance (Ice Plant, Electrical, HVAC, Plumbing, Zamboni)	\$54,000.00
Utilities (Phone, Gas, Power, Water & Sewer)	\$178,000.00
Supplies (Freight, Janitorial, Ice Making, Maintenance, Medical)	\$34,000.00
Facility Service Contracts (HVAC, Ice Plant, Back-up Generator)	\$25,000.00
Concession Supplies	\$80,000.00
GST Non Refundable	\$10,000.00
Total Expense	\$989,000.00

FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

Draft Only



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

FOR THE YEAR ENDED MAY 31, 2019

CONTENTS

	<u>Page</u>
INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT	3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Net Assets	5
Consolidated Statement of Operations	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 14
Schedule 1 - Consolidated Schedule of Fort McMurray Minor Hockey Association Revenues and Expenses	15
Schedule 2 - Consolidated Schedule of Frank Lacroix Arena Revenue and Expenses	16



INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT

To the Members of

FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

We have reviewed the accompanying consolidated financial statements of **Fort McMurray Minor Hockey (1981) Association** that comprise the consolidated balance sheet as at May 31, 2019 and the consolidated statements of operations, members' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these consolidated financial statements do not present fairly, in all material respects, the financial position of **Fort McMurray Minor Hockey (1981) Association** as at May 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Edmonton, Alberta
October 3, 2019

CHARTERED PROFESSIONAL ACCOUNTANTS

FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Unaudited)

AS AT MAY 31, 2019

	Fort McMurray Minor Hockey	Frank Lacroix Arena	2019	2018
ASSETS				
CURRENT				
Cash (Note 3)	\$ 469,973	\$ -	\$ 469,973	\$ 588,197
Guaranteed Investment Certificates (Note 4)	331,723	-	331,723	330,689
Accounts receivable (Note 5)	15,028	27,566	42,594	5,705
Inventory	902	-	902	902
Prepaid expenses	-	4,476	4,476	4,476
	817,626	32,042	849,668	929,969
REP TEAM ACCOUNTS (Note 6)	35,000	-	35,000	35,000
PROPERTY AND EQUIPMENT (Note 7)	197,733	42,906	240,639	88,264
	\$ 1,050,359	\$ 74,948	\$ 1,125,307	\$ 1,053,233
LIABILITIES				
CURRENT				
Bank indebtedness (Note 8)	\$ -	\$ 14,687	\$ 14,687	-
Accounts payable and accrued liabilities (Note 9)	\$ 80,987	\$ 22,512	\$ 103,499	\$ 30,620
Deferred contributions (Note 10)	90,817	-	90,817	105,846
	171,804	37,199	209,003	136,466
NET ASSETS				
EQUITY IN PROPERTY AND EQUIPMENT	197,733	42,906	240,639	88,264
UNRESTRICTED NET ASSETS	680,822	(5,157)	675,665	828,503
	878,555	37,749	916,304	916,767
	\$ 1,050,359	\$ 74,948	\$ 1,125,307	\$ 1,053,233

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

	Fort McMurray Minor Hockey	Frank Lacroix Arena	Equity in Property and Equipment	2019	2018
NET ASSETS, beginning of year	\$ 785,565	\$ 42,934	\$ 88,261	\$ 916,760	\$ 788,517
Excess (deficiency) of revenue over expenses (Schedules 1 and 2)	41,406	(41,862)	-	(456)	128,247
Amortization of property and equipment	77,285	9,541	(86,826)	-	-
Purchase of property and equipment	(223,434)	(15,770)	239,204	-	-
NET ASSETS, end of year	\$ 680,822	\$ (5,157)	\$ 240,639	\$ 916,304	\$ 916,764



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

CONSOLIDATED STATEMENT OF OPERATIONS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

	Fort McMurray Minor Hockey	Frank Lacroix Arena	2019	2018
REVENUE (Schedules 1 and 2)	\$ 1,063,427	\$ 889,813	\$ 1,953,240	\$ 1,797,421
EXPENSES (Schedules 1 and 2)	1,022,021	931,675	1,953,696	1,669,174
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 41,406	\$ (41,862)	\$ (456)	\$ 128,247

Draft Only



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Cash receipts from customers and grants	\$ 1,911,307	\$ 1,794,397
Cash paid to suppliers and employees	(1,810,056)	(1,611,481)
Interest received	5,044	4,604
	<u>106,295</u>	<u>187,520</u>
CASH USED IN INVESTING ACTIVITY		
Purchase of property and equipment	(239,204)	(72,786)
	<u>(239,204)</u>	<u>(72,786)</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(132,909)	114,734
CASH, beginning of year	588,197	473,463
CASH, end of year	\$ 455,288	\$ 588,197
REPRESENTED BY		
Cash	\$ 469,973	\$ 588,197
Bank indebtedness	(14,687)	-
	<u>\$ 455,286</u>	<u>\$ 588,197</u>



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

1. NATURE OF OPERATIONS

The Fort McMurray Minor Hockey (1981) Association (the "Association") is a local not-for-profit sports organization which was incorporated under the Societies Act of Alberta. The objectives of the Association are to promote, govern and improve organized minor hockey as a Division of the Governing Body by authority of the Canadian Amateur Hockey Association and the Alberta Amateur Hockey Association. The Fort McMurray Minor Hockey (1981) Association operates the Frank Lacroix Arena under the terms of a lease with The Regional Municipality of Wood Buffalo. The Association is exempt from income taxes under Paragraph 149 (1) (l) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following accounting policies:

(a) Basis of Consolidation

The Association's consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. All significant intercompany transactions, if any, and balances have been eliminated on consolidation.

The assets, liabilities and operations of the following organizations are included in these consolidated financial statements:

Fort McMurray Minor Hockey	100%
Frank Lacroix Arena	100%

(b) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Estimated life of property and equipment and collectibility of accounts receivable are the most significant items that involve the use of estimates.

(c) Financial Instruments

Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Instruments (continued)

Financial assets measured at amortized cost include cash, Guaranteed Investment Certificates and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association's financial assets, if any, measured at fair value include investments that are quoted shares.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The Association recognizes its transaction costs, if any, in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(d) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is generally determined on the first-in, first-out basis.

(e) Property and Equipment

Property and equipment are stated at cost. Amortization is provided annually based at rates and methods calculated to write-off the property and equipment over their estimated useful lives. One-half of normal rates are applied in the year of acquisition with the exception of leasehold improvements and jerseys. These rates and methods are as follows:

Leasehold improvements - Arena	straight line over life of the lease
Machinery and equipment - Arena	20% declining balance
Automotive equipment - Arena	30% declining balance
Furniture and fixtures - FMMHA	20% declining balance
Computer equipment - FMMHA	55% declining balance
Jerseys - FMMHA	4 year straight line



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue Recognition

The Association follows the deferral method of accounting for contributions and reports on a fund accounting basis. Two funds are maintained: Fort McMurray Minor Hockey Fund and the Frank Lacroix Arena Fund. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Fundraising revenue is recognized as revenue when received or receivable. Revenue for member deposits for volunteer hours are recognized when a member does not perform the volunteer services over the duration of the hockey season. Revenue for jersey deposits are recognized as revenue when a member does not return their jersey at the end of the hockey season.

The Frank Lacroix Arena Fund includes the revenues and expenses related to the operations of the Frank Lacroix Arena. Revenues related to concessions and sign sales are recognized at the point of sale whereby ownership has been transferred to the purchaser and all services are complete.

(g) Cash and Cash Equivalents

The Association's policy is to disclose bank balances including restricted cash balances under cash and cash equivalents. Restricted funds are considered cash balances as they are offset by current liabilities.

(h) Contributed Services and Materials

Volunteer services and materials contributed on behalf of the Association in carrying out its operating activities are not recognized in these financial statements due to the difficulty of determining their fair value.

3. CASH

The use of revenues from gaming activities is restricted to expenses approved by the Alberta Gaming and Liquor Commission (AGLC). Deferred contributions and unexpended AGLC funds are restricted funds which are offset against current liabilities and are therefore presented as current assets.

	2019	2018
Unrestricted	\$ 364,469	\$ 482,351
Restricted	90,817	105,846
	<u>\$ 455,286</u>	<u>\$ 588,197</u>



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

4. GUARANTEED INVESTMENT CERTIFICATES

The Association's Guaranteed Investment Certificates earn interest at rates ranging from 1.46% to 2.45% (2018 - 1.20% to 1.90%) per annum, with maturity dates ranging from June 2019 to March 2020. There are no internal or external restrictions on the short-term investments and the funds can be used for general operations.

5. ACCOUNTS RECEIVABLE

	2019	2018
Fort McMurray Minor Hockey Association	\$ 15,028	\$ -
Frank Lacroix Arena	27,566	5,705
	<u>\$ 42,594</u>	<u>\$ 5,705</u>

6. REP TEAM ACCOUNTS

Rep team accounts are advances to rep teams for their start-up operating costs each season. The funds are kept in separate bank accounts by each rep team over which the Association has no direct control. The money is repayable to the Association if and when a rep team discontinues operations.

7. PROPERTY AND EQUIPMENT

	2019			2018
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Leasehold improvements - Arena	\$ 466,666	\$ 447,014	\$ 19,652	\$ 25,267
Machinery and equipment - Arena	90,770	67,987	22,783	10,737
Automotive equipment - Arena	53,183	52,712	471	673
Furniture and fixtures - FMMHA	84,500	79,890	4,610	5,762
Computer equipment - FMMHA	1,850	1,850	-	3
Jerseys - FMMHA	352,501	159,378	193,123	45,822
	\$ 1,049,470	\$ 808,831	\$ 240,639	\$ 88,264



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

8. BANK INDEBTEDNESS

	2019	2018
Bank balances	16,142	49,489
Cheques written in excess of bank balance	(30,829)	-
	<u>\$ (14,687)</u>	<u>\$ 49,489</u>

A transfer of cash from the Fort McMurray Minor Hockey bank account was made subsequent to the year end to cover the cheques written in excess of the Frank Lacroix Arena bank balance.

Included in bank indebtedness are outstanding government remittances cheques of \$12,279, (2018 - \$12,455).

9. ACCOUNTS PAYABLE

Included in accounts payable are government remittances payable (recoverable) of \$Nil, (2018 - \$850). Accounts payable include \$-, (2019 - \$- due to a Company under common control

10. DEFERRED CONTRIBUTIONS

Contributions are received from contributors who have restricted their uses. Recognition of these amounts as revenue is deferred to the period when the specified expenditures are made. Deferred contributions is comprised of the following:

	2019	2018
Casino funds	\$ 23,358	\$ 44,490
Female Midget Legacy Fund	27,344	27,344
Gretzky Sponsorship	8,883	8,883
Mark Nolan Memorial Fund	2,673	2,673
Team and league sponsorships	22,209	22,456
Jaxon Joseph Memorial	6,350	-
	<u>\$ 90,817</u>	<u>\$ 105,846</u>

During the year, \$21,132 in Casino funds were used resulting in a ending balance of \$23,358. Additionally, \$247 of team and league sponsorships were used from deferred contributions and \$6,350 from the Jaxon Joseph Memorial Scholarship was added. No other additions or recognition of the remaining deferred contributions occurred during the year.



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

11. INTERFUND TRANSFERS

Each year, amounts are allocated from the Fort McMurray Minor Hockey (1981) Association towards the Frank Lacroix Arena. The allocation is intended to cover the operating costs of the arena and to meet cash flow requirements.

12. COMMITMENTS

The Association has a lease with the Regional Municipality of Wood Buffalo for the operation of the Frank Lacroix Arena at \$1 per annum, under a lease expiring in September 2021.

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FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

13. ECONOMIC DEPENDENCE

The Association earns revenues that are dependent on the lease of the Frank Lacroix Arena with the Regional Municipality of Wood Buffalo. The Association receives an annual grant from the Regional Municipality of Wood Buffalo in the amount of \$443,000 (2018 - \$443,000) to assist in the operation and maintenance of the Frank Lacroix Arena.

14. FINANCIAL INSTRUMENTS

Risks and concentrations

The Association is exposed to various risks through its financial instruments, without being exposed to concentrations of risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial statement liabilities. The Association is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

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. The Association's main credit risks relate to accounts receivable. The Association provides credit to its clients in the normal course of operations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to currency risk and interest rate risk.



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

SCHEDULE 1 - CONSOLIDATED SCHEDULE OF FORT MCMURRAY MINOR HOCKEY ASSOCIATION REVENUE AND EXPENSES (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

	2019	2018
REVENUE		
Registration fees	\$ 930,581	\$ 784,524
Fundraising	68,947	83,017
Member forfeiture in lieu of volunteer hours	29,054	26,230
Sponsorships	7,723	20,219
Interest	5,044	4,604
Skate sharpening	22,078	12,106
Clinics and tournaments		400
	<u>1,063,427</u>	<u>931,100</u>
EXPENSES		
Advertising and promotion	1,008	-
Amortization	77,285	33,709
Bank charges and interest	362	699
Banquets	11,922	11,676
Clinics	216	16,750
Equipment purchases	48,852	4,471
Fundraising	3,321	4,703
Ice usage	421,675	331,909
Office	7,423	3,401
Player cards, league fees, insurance	160,747	101,632
Professional fees	23,320	10,198
Referee fees	99,260	83,139
Salaries and benefits	142,212	138,338
Skate shop, trophies and medallions	15,581	22,628
Telephone and utilities	2,864	2,607
Travel	5,973	8,256
	<u>1,022,021</u>	<u>774,116</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 41,406</u>	<u>\$ 156,984</u>



FORT MCMURRAY MINOR HOCKEY (1981) ASSOCIATION

SCHEDULE 2 - CONSOLIDATED SCHEDULE OF FRANK LACROIX ARENA REVENUE AND EXPENSES (Unaudited)

FOR THE YEAR ENDED MAY 31, 2019

	2019	2018
REVENUE		
Grants	\$ 443,000	\$ 443,000
Ice rentals	267,837	265,986
Concessions	157,216	133,251
Signs	14,093	13,410
Other arena rental	7,667	10,674
	<u>889,813</u>	<u>866,321</u>
EXPENSES		
Amortization	9,541	5,779
Bank charges and interest	1,136	649
Goods and Services Tax unrecoverable	9,663	10,332
Ice plant	10,989	26,691
Insurance	9,842	9,272
Office	1,693	3,648
Professional fees	-	2,000
Repairs and maintenance	48,954	54,735
Salaries and benefits	495,575	478,366
Security and fire protection	9,220	10,622
Service contracts	24,464	16,647
Supplies	106,689	101,422
Telephone and utilities	203,909	174,895
	<u>931,675</u>	<u>895,058</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ (41,862)</u>	<u>\$ (28,737)</u>

