

# Regional Recreation Corporation of Wood Buffalo

Graig Walsh – Chief Executive Officer

November 27, 2019

# Organization Mandate

- To advance, promote, and encourage recreational, cultural and social activities and events for the benefit of residents of the Regional Municipality of Wood Buffalo
- Operate MacDonald Island Park, Anzac Recreation Centre presented by CNOOC, Conklin Multiplex, and the aquatics programming at the Sonny Flett Aquatic Centre
- Strategic Priorities: People, Stewardship, Programs/Services, Stakeholder Alignment.
- Programs and services include fitness, aquatics, golf, catering and conferencing, dance, visual arts, live entertainment, family entertainment, trade and consumer shows and general community events.

# Community Impact

- Drawing thousands of visitors every year, the RRC and the facilities it operates deliver a variety of sport, recreation, leisure and event experiences tailored to fit the needs of residents in Wood Buffalo communities.
- These facilities, paired with quality programming provide fun and safe spaces for families to learn, grow and play together, resulting in an enriched overall quality of life for all in the region.
- As an economic driver for the community, RRC facilities attract major events and hosting opportunities aimed at generating revenue for the local economy and further bolstering benefits to the region.

# 2020 Grant Request

2020 Grant Request	
Revenue	\$24,768,612
Expense	\$45,128,086
Subsidy Requested	\$20,359,474
Subsidy represents <b>45%</b> of total expenses	

Previous Year's Financial Information	
Last Fiscal Year End Date	December 31, 2018
Total expenses from previous year	\$36,420,732
Unrestricted Net Assets	\$2,045,935

# Expense Summary

Cost Category	Total Expense	Funded by RMWB
Salary/Wages (179 full time, 23 part time)	\$24,157,283	\$13,859,474
Program Costs	\$5,419,083	\$0
Overhead (utilities, insurance, etc.)	\$12,767,620	\$3,715,900
Lifecycle R&M	\$2,784,100	\$2,784,100
TOTAL	\$45,128,086	\$20,359,474

# Community Investment History

2020 Request	2019	2018
\$20,359,474	\$16,270,995	\$14,637,850

Increase in 2020 of \$4M is due to increases on aging facility, increases in wage and benefit expenses and decreases in user fees and admissions. This includes moving \$2.8M lifecycle repairs and maintenance from the annual Capital Grant request into the Sustaining Grant.

**Regional Recreation Corporation of Wood Buffalo**  
2020 Sustaining Grant Analysis

**CIP Grant Summary:**

2017	2018	2019	2020 Request	2020 Recommended by CIP	Variance Recommended vs. Requested
16,094,700	14,637,850	16,271,000	20,359,474	20,359,474	-

Fiscal Year End	Total Expenses	Unrestricted Net Assets
December 31, 2018	33,236,368	2,045,935

**Notes:**

The grant requests per facility is as follows:

MacDonald Island Park               \$ 17,575,374 (\$14,791,274 + \$2,784,100 Lifecycle Project)  
Anzac Recreation Centre           \$ 1,011,220  
Conklin Multiplex                   \$ 1,384,207  
Fort Chipewyan Aquatics Programs \$ 375,104

Budget Line Description	2020 Total Budget	2020 Recommended
<b>Revenues</b>		
RMWB Sustaining Grant	20,359,474	20,359,474
Hospitality (food & beverage)	4,851,131	-
Memberships/User Fees/Admissions	5,932,949	-
Events/Programs	4,507,994	-
Facility & Equipment Rental/Leased Premises	3,861,810	-
Other Revenue	5,614,728	-
<b>Total Revenues</b>	<b>\$ 45,128,086</b>	<b>\$ 20,359,474</b>
<b>Expenses</b>		
Wages/Benefits	24,157,283	13,859,474
Cost of Good Sold	5,419,083	-
Other Operating Expenses	9,017,120	3,715,900
Amortization of Capital Assets	3,750,500	-
Lifecycle R&M	2,784,100	2,784,100
<b>Total Expenses</b>	<b>\$ 45,128,086</b>	<b>\$ 20,359,474</b>
<b>Total Surplus (Deficit)</b>	<b>\$ -</b>	<b>\$ -</b>

## 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:** Regional Recreation Corporation of Wood Buffalo

**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:

ck                                          

ck                                          

ck                                          

ck                                          

ck                                          

Colleen Kearney  
Signature of Board Member  
(must have signing authority)

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

Colleen Kearney  
Print Name

Graig Walsh  
Print Name

2019-09-30  
Date: (YYYY-MM-DD)

2019-09-30  
Date: (YYYY-MM-DD)



## Sustaining Grant Part A - Organization Summary

### 1. Organization Details

<b>Organization Name:</b>	Regional Recreation Corporation of Wood Buffalo
<b>Street Address:</b>	1 CA Knight Way
<b>City/Hamlet:</b>	Fort McMurray
<b>Province:</b>	Alberta
<b>Postal Code:</b>	T9H 5C5
<b>Phone Number:</b>	s.17 (1)
<b>Email Address:</b>	graig.walsh@rrcwb.ca
<b>Act Registered Under:</b>	Canada Not-For-Profit Corporation
<b>Registration Number:</b>	848827-4

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

### 2. Main Contact

<b>Title:</b>	Chief Financial Officer
<b>Name:</b>	Rachel Orser
<b>Daytime Phone:</b>	s.17 (1)
<b>Email Address:</b>	rachel.orser@rrcwb.ca

### 3. Executive Director

<b>Name:</b>	Graig Walsh
<b>Daytime Phone:</b>	s.17 (1)
<b>Email Address:</b>	graig.walsh@rrcwb.ca

### 4. Board Chair / President

<b>Name:</b>	Colleen Kearney
<b>Daytime Phone:</b>	
<b>Email Address:</b>	

*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?

The municipality is the sole member of the Corporation. All members of the public can participate in our programs and services, with the only restriction to participating being the fee (either a membership, drop-in or registration fee). The WB Kids program administered by the RRC provides financial assistance to support Wood Buffalo youth and families that face barriers to participation in sport, recreation, social and cultural programs and activities.

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?

The financial position of the organization is reviewed on an annual basis. Statement of Operations and variances relative to budget are reviewed monthly.

Unsuccessful efforts have been made to seek provincial financial support for our organization in 2019 and such efforts will continue to be made in the upcoming year. In addition, the organization looks for sponsorship opportunities with community partners to increase the amount of financial support.

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	179	176
Part Time Positions	23	21

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

Cost savings and or cost control initiatives that will commence and or continue in 2020 include:

- repurposing existing space allowing for cost avoidance opportunities
- continuous re-evaluation of service level offerings
- continued focus on collections
- continuously exploring opportunities for operational efficiencies

**20. 2020 Grant Request:**

Total 2020 Budgeted Revenue ( <u>excluding</u> RMWB Sustaining Grant)	\$	24,768,612.00
Total 2020 Budgeted Expenses	\$	45,128,085.00
Surplus* / (Deficit)	\$	(20,359,474.00)

**2020 Sustaining Grant Request Amount:** **\$ 20,359,474**

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

**Please Indicate Preferred Cash Flow, if approved\*\*:**

January/February	\$ 5,500,000.00	April	\$ 6,500,000.00
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(no more than 75% of request)

August	\$ 5,650,000.00	October	\$ 2,709,474.00
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\*\* 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

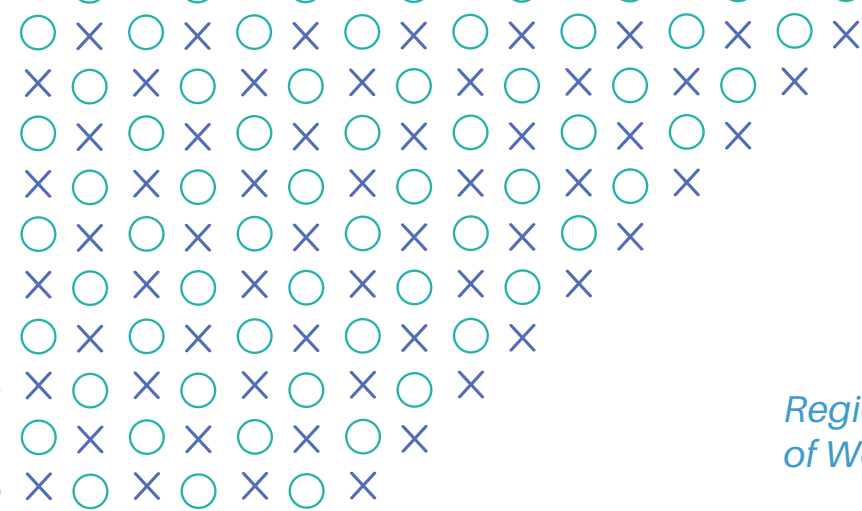
**In Person or By Mail:**

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)**



*Regional Recreation Corporation  
of Wood Buffalo*

# Strategic Plan

2019–2021





# Contents

- 3 Vision
- 4 Mission
- 5 Values
- 6 Introduction
- 7 Near-Term Planning
- 8 People
- 9 Stewardship
- 10 Programs & Services
- 11 Stakeholder Alignment
- 12 Monitor / Refresh / Renew



# Our Vision



THE PLACE WHERE  
**OUR COMMUNITIES  
GATHER, PLAY &  
CONNECT,** CREATING  
**MEMORIES THAT  
LAST A LIFETIME**





# Our Mission

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DRIVEN BY **TEAMWORK  
& PASSION**, WE **MAKE  
A DIFFERENCE** BY  
**INSPIRING FUN**  
THROUGH **INNOVATIVE  
PROGRAMMING &  
EXTRAORDINARY  
EXPERIENCES**



# Our Values



## ONE INSPIRED TEAM

Delivering meaningful service while valuing each other and celebrating our successes together.



## EXCELLENT SERVICE

Providing customer centered solutions with no limitations.



## MEANINGFUL CONNECTIONS

Treating every interaction as an opportunity to create authentic relationships while addressing the diverse needs of the region.



## INNOVATIVE EXPERIENCES

Embracing new ideas and creative solutions and having fun while getting it done.



## PRIDE IN ACCOUNTABILITY

Operating safe, reliable and sustainable facilities for our people, their families, our customers and the region.

# Introduction

The Regional Recreation Corporation of Wood Buffalo (RRC) Strategic Plan was developed under the governance of the RRC Board of Directors and in collaboration with the RRC Senior Leadership Team (SLT). This document describes the preferred future of the RRC and provides strategies on how to achieve these results over the next three-years.

The priorities and strategies within this document also reflect feedback from employees through the Great Place to Work Employee engagement project conducted in October 2018, feedback from the community collected during the *Word on the Street* Patron Engagement Project conducted in February 2019, and engagement of RMWB Mayor and Council.

## PLANNING IS BASED ON FOUR STRATEGIC PRIORITIES

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### 1 | PEOPLE

### 2 | STEWARDSHIP

### 3 | PROGRAMS/SERVICES

### 4 | STAKEHOLDER ALIGNMENT

Each priority has key performance indicators to describe how the RRC will measure success and specific Strategies which will be implemented to make success happen.

All strategies aim to assist the RRC on achieving our vision of being the place where our communities gather, play and connect, creating memories that last a lifetime.



# Near-Term Planning

The following **11 strategies** were prioritized for development of near-term (**12-18 months**) plans. The near-term plan is not expected to fully address the scope of the strategy.

- 1.1 ENHANCE SAFETY PERFORMANCE
- 1.2 BECOME AN INDUSTRY LEADING WORKPLACE
- 1.3 ENHANCE 2-WAY INTERNAL COMMUNICATIONS
- 1.4 ADDRESS HARD-TO-FILL POSITIONS
- 2.1 DEFINE OPERATING PRINCIPLES
- 2.2 DEVELOP LONG-TERM ASSET PLANS
- 2.3 DEFINE POLICIES AND PROCEDURES
- 2.4 DEVELOP PERFORMANCE METRICS
- 2.5 DEVELOP RISK MANAGEMENT PROGRAM
- 3.1 IMPLEMENT CUSTOMER EXPERIENCE PROGRAM (UTOPIA)
- 4.1 IMPLEMENT SPONSORSHIP ATTRACTION AND RETENTION PLAN



# 1 | People

DEVELOP AND SUSTAIN THE PERSONNEL AND CULTURE REQUIRED FOR RRCWB TO PURSUE ITS STRATEGIC PLAN, BY ADVANCING OUR HUMAN RESOURCE PLANS AND PRACTICES.

## KEY PERFORMANCE INDICATORS

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- ✓ IMPROVING ONE TEAM RETENTION RATE AND INCREASING EMPLOYEE ENGAGEMENT
- ✓ IMPLEMENTING LEARNING AND DEVELOPMENT PLANS
- ✓ MAINTAINING/IMPROVING COR AUDITING
- ✓ REDUCING TOTAL LOST TIME INCIDENTS

| STRATEGY  | DEPARTMENT        |
|---|-------------------|
| <b>1.1 - ENHANCE SAFETY PERFORMANCE:</b> Define and implement an approach to ensure the health and safety performance, both employee and patron focused, at the RRC is exceptional through proactive oversight and leadership. This strategy is a program comprised of multiple initiatives, as detailed in the Safety Near Term Initiative action plan.      | OFFICE OF THE CEO |
| <b>1.2 - BECOME AN INDUSTRY LEADING WORKPLACE:</b> Define and implement an approach to ensure that the human resources program is meeting the needs of the corporation and pushing the corporation to be an industry leading workplace. This strategy is a program comprised of multiple initiatives, as detailed in the HR Near Term Initiative action plan. | OFFICE OF THE CEO |
| <b>1.3 - ENHANCE TWO-WAY INTERNAL COMMUNICATIONS:</b> Develop an internal strategic communications plan to enhance the two-way communication within and between departments to ensure that line-of-sight is always maintained between each employee and the organizational vision.  | MARKETING         |
| <b>1.4 - ADDRESS HARD-TO-FILL POSITIONS:</b> Develop a recruitment strategy aligned to specific hard-to-fill positions. This strategy includes identifying, through data, the critical hard-to-fill positions and defining the tactics to attract and retain.   | FINANCE           |
| <b>1.5 - CREATE LEARNING AND DEVELOPMENT PLANS:</b> Create learning and development plans for all positions. The plans will act as a road map for employees to help support their career and personal development. The accompanying process will allow for a focus on career management and help ensure there is two-way communication and dialogue.          | FINANCE           |
| <b>1.6 - CREATE A PEOPLE LEADERSHIP SUCCESSION PLAN:</b> The plan will include a systematic process of recognizing and creating future leaders and will address the senior leadership team, managers and supervisors / team leads.  | OFFICE OF THE CEO |
| <b>1.7 - BECOME A GREAT PLACE TO WORK:</b> Measure and respond to employee Great Place to Work (GPTW) survey annually in the form of an SLT action plan that is communicated and tracked through to completion.   | MARKETING         |
| <b>1.8 - ENSURE EQUITABLE COMPENSATION:</b> Conduct triennial compensation review.  | FINANCE           |

## KEY PERFORMANCE INDICATORS

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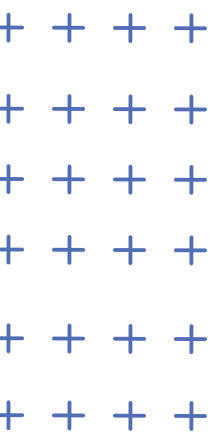
- ✓ IMPROVING ACCURACY ON LIFE-CYCLE BUDGET WHILE MEETING APPROVED FUNDING
- ✓ COMPLETING THE FIRST BOARD APPROVED LIFE-CYCLE AND CAPITAL PLANS DURING NEAR-TERM PLANNING
- ✓ REDUCING OVERALL ORGANIZATIONAL RISK EXPOSURE

# 2 | Stewardship

DEVELOP THE SYSTEMS, CULTURE AND PERFORMANCE THAT FORM THE BASIS OF THE CAREFUL AND RESPONSIBLE MANAGEMENT OF THE OWNER'S ASSETS AND DELIVERS ON OWNER EXPECTATIONS.

| STRATEGY   | DEPARTMENT           |
|--|----------------------|
| <b>2.1 - DEFINE OPERATING PRINCIPLES:</b> Define the operating principles to guide our decision-making with respect to space allocation, programming, fee policy and pricing strategy.   | OFFICE OF THE CEO    |
| <b>2.2 - DEVELOP LONG-TERM ASSET PLANS:</b> Develop 10-year capital and life-cycle plans to assist in the annual budgeting process and to provide the RMWB with enhanced surety related to long-term capital and life-cycle budgeting.   | OFFICE OF THE CEO    |
| <b>2.3 - DEFINE POLICIES AND PROCEDURES:</b> Formalize and implement the process to identify, review, standardize, consolidate and publish policies and procedures to the organization.  | CORPORATE SERVICES   |
| <b>2.4 - DEVELOP PERFORMANCE METRICS:</b> Develop and roll out performance measures, reports, and align distributed ownership and reviews to motivate superior business performance and enable sound business decisions to support our goals.  | FINANCE              |
| <b>2.5 - DEVELOP AND IMPLEMENT A COMPREHENSIVE ENTERPRISE RISK MANAGEMENT PROGRAM:</b> The program will apply a holistic approach to identify and evaluate risks so that they can be effectively mitigated and monitored. The Enterprise Risk Management Program will measure and prioritize risk mitigation as an interrelated system, rather than looking at risks in silos. | CORPORATE SERVICES   |
| <b>2.6 - DEVELOP A BUSINESS CONTINUITY PLAN:</b> The plan will create a system of prevention and recovery from potential threats and disruptions to the organization. The plan will ensure that personnel and assets are protected and are able to recover and function quickly in the event of a disruption. The plan will address operations and information technology.     | IT & FACILITIES      |
| <b>2.7 - MOVE CONKLIN AND ANZAC TO STEADY STATE:</b> Engage stakeholders to develop specific business maturity plans.  | SPORT AND RECREATION |

# 3 | Programs/ Services



DEVELOP NEW OR REFINED SERVICES THAT DIFFERENTIATE OUR SERVICE OFFERING WHICH CONTRIBUTE TO, OR MAINTAIN, MEMBERSHIPS, PROGRAM PARTICIPATION AND NEW SUSTAINABLE REVENUE STREAMS.

## KEY PERFORMANCE INDICATORS



- ✓ DEVELOPING NEW PROGRAMS AND AN ENHANCED MEMBERSHIP MODEL
- ✓ DECREASING MEMBERSHIP CANCELLATIONS
- ✓ ACHIEVING PROGRAM FILL RATE TARGETS
- ✓ DECREASING PROGRAM CANCELLATIONS
- ✓ CREATING NEW SUSTAINABLE REVENUE STREAMS

| STRATEGY  | DEPARTMENT                  |
|---|-----------------------------|
| <b>3.1 - IMPLEMENT CUSTOMER EXPERIENCE PROGRAM (UTOPIA):</b> Design and implement a program to address feedback gathered in a client engagement process led by Catapult Marketing aimed at identifying areas for improvement in RRC service delivery at MacDonald Island Park. The initiative strives to address items within the six categories for improvement including accessibility, technology/communication, building enticing and fun programming, programs for members and dance. The program is named Utopia and the action/milestones associated list the program’s projects and planned completion date. Each project manager is expected to develop their own detailed project management plan and approach. | <b>SPORT AND RECREATION</b> |
| <b>3.2 - ASSESS AND IDENTIFY PROGRAMMING REQUIREMENTS:</b> Conduct a gap analysis of programming requirements for each target market (all functions), including: leisure, Indigenous, arts and culture, core vs. non-core services, complementary services and future trends.   | <b>SPORT AND RECREATION</b> |
| <b>3.3 - ASSESS EXPANSION OF FOX DEN:</b> Conduct a feasibility study to assess a Fox Den renovation, expansion and/or the opportunity for year-round service.  | <b>FOOD AND BEVERAGE</b>    |

# 4 | Stakeholder Alignment

DEVELOP THE MEANS AND METHODS TO ATTRACT AND RETAIN SPONSORS, ENGAGE OUR PATRONS AND FORM COLLABORATIVE PARTNERSHIPS WITH NEW OR EXISTING RELATIONSHIPS, INCLUDING BUT NOT LIMITED TO COMMUNITY GROUPS, USER GROUPS, NON-PROFIT ORGANIZATIONS AND SCHOOLS.

## KEY PERFORMANCE INDICATORS

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- ✓ RETAINING SPONSORSHIPS AND ATTRACTION OF NEW PARTNERS
- ✓ IMPROVING PATRON ENGAGEMENT AND INVOLVEMENT ACROSS THE REGION
- ✓ TO ACTIVELY IMPROVE AND DEEPEN OUR WORKING RELATIONSHIPS AND COLLABORATION WITH SOCIAL PROFITS, SCHOOLS, AND OTHER COMMUNITY STAKEHOLDERS.

| STRATEGY  | DEPARTMENT                      |
|---|---------------------------------|
| <b>4.1 - IMPLEMENT A SPONSORSHIP ATTRACTION AND RETENTION PLAN:</b> The approach will focus on sponsor needs as the foundation for solutions and will present logical arguments and attractive offerings that make sense to the potential sponsor, outlining how the RRC can help the partner to achieve its objectives.  | MARKETING                       |
| <b>4.2 - UNDERSTAND OUR CUSTOMERS:</b> Complete an analysis of MacDonald Island Park wide spend by customer segments in order to better understand their needs and community trends.  | EVENTS AND BUSINESS DEVELOPMENT |
| <b>4.3 - INCREASE RURAL PATRON ENGAGEMENT:</b> Establish patron engagement plan for rural facilities.   | MARKETING                       |
| <b>4.4 - INCREASE INDIGENOUS COMMUNITY ENGAGEMENT:</b> The strategy will define early, effective, respectful, and consistent engagement with Indigenous community stakeholders, leading to a relationship that is respectful of the interests, priorities and values of the Indigenous communities and their active participation in RRC facilities and programs. | MARKETING                       |
| <b>4.5 - ENGAGE THE BUSINESS COMMUNITY:</b> Establish a formal business/ association ambassador program to create collaborative partnerships.   | MARKETING                       |

# Monitor · Refresh · Renew

THE RRC SENIOR LEADERSHIP TEAM DEVELOPED THE SUSTAINMENT STRUCTURE FOR STRATEGIC PLANNING MONITORING, REFRESH AND RENEWAL.

**Monitoring** will consist of a monthly review of the execution of the near-term plans by the Senior Leadership Team. This review will provide each department the opportunity to present on strategy progress, identifying challenges and solutions and verifying that the plan is having the intended effect of the expected key performance indicators. Collectively, the Senior Leadership Team will support the plan champions through resource assignment and by fulfilling support tasks as assigned. The near-term plans are hosted on a shared platform to allow all members to regularly view and update the plans.

**Refreshing** will consist of an annual quick validation of the vision, mission and values. key Refreshing will consist of an annual quick validation of the vision, mission and values. key performance indicators will be further developed as baseline measures are established and the RRCWB becomes more familiar with measuring systems and target setting. Completed strategies will be evaluated for effectiveness and archived. New strategies will be developed and/or selected for development of new near-term plans to drive ongoing execution and progress. The RRC Board of Directors will approve the refreshed strategic plan.

**Renewing** will take place after the plan's 3-year term. The renewal will test the relevance of the vision, mission, values and key performance indicators, which will be modified or replaced as required. This renewed preferred future will form the basis for the development of strategies and near-term plans. The board will be consulted for input and will approve the renewed strategic plan.



|  | 2020 Budget         | 2019 Budget         | Variance to<br>2019 Budget \$ | Variance to<br>2019 Budget % | 2018 Actual         | Variance to<br>2018 Actual \$ | Variance to<br>2018 Actual % |
|--|---------------------|---------------------|-------------------------------|------------------------------|---------------------|-------------------------------|------------------------------|
| Hospitality (food and beverage)  | 4,851,131           | 4,886,556           | (35,424)                      | -1%                          | 4,532,392           | 318,739                       | 7%                           |
| Memberships  | 3,426,112           | 3,464,364           | (38,252)                      | -1%                          | 2,874,304           | 551,809                       | 19%                          |
| User fees and admissions   | 2,506,837           | 2,803,451           | (296,614)                     | -11%                         | 2,386,989           | 119,848                       | 5%                           |
| Events   | 2,504,417           | 1,368,515           | 1,135,902                     | 83%                          | 474,700             | 2,029,717                     | 428%                         |
| Facility and equipment rental  | 2,632,500           | 2,266,116           | 366,385                       | 16%                          | 2,588,957           | 43,544                        | 2%                           |
| Leased Premises  | 1,229,310           | 1,062,816           | 166,494                       | 16%                          | 1,088,077           | 141,233                       | 13%                          |
| Programs   | 2,003,575           | 2,003,355           | 220                           | 0%                           | 2,250,183           | (246,608)                     | -11%                         |
| Sponsorships and Advertising   | 915,773             | 912,600             | 3,173                         | 0%                           | 959,837             | (44,064)                      | -5%                          |
| Other  | 628,457             | 557,135             | 71,323                        | 13%                          | 1,003,222           | (374,765)                     | -37%                         |
| Pro-shop merchandise sales   | 381,998             | 440,500             | (58,502)                      | -13%                         | 336,406             | 45,592                        | 14%                          |
| Service agreement  | 0                   | 0                   | 0                             | **                           | 0                   | 0                             | **                           |
| <b>Operating Revenue</b>   | <b>21,080,112</b>   | <b>19,765,408</b>   | <b>1,314,704</b>              | <b>7%</b>                    | <b>18,495,068</b>   | <b>2,585,044</b>              | <b>14%</b>                   |
| Events and Hospitality   | 5,051,317           | 3,172,964           | 1,878,354                     | 59%                          | 2,672,906           | 2,378,411                     | 89%                          |
| Pro-shop merchandise sales   | 270,896             | 321,645             | (50,749)                      | -16%                         | 314,374             | (43,478)                      | -14%                         |
| Sponsorship fulfillment  | 96,870              | 59,784              | 37,086                        | 62%                          | 177,620             | (80,750)                      | -45%                         |
| <b>Cost of Goods Sold</b>  | <b>5,419,083</b>    | <b>3,554,393</b>    | <b>1,864,691</b>              | <b>52%</b>                   | <b>3,164,901</b>    | <b>2,254,182</b>              | <b>71%</b>                   |
| <b>Contribution Margin<br/>(Operating Revenue less Cost of Goods Sold)</b>   | <b>15,661,029</b>   | <b>16,211,015</b>   | <b>(549,987)</b>              | <b>-3%</b>                   | <b>15,330,167</b>   | <b>330,862</b>                | <b>2%</b>                    |
| <b>Wages &amp; Benefits</b>  | <b>24,157,282</b>   | <b>23,481,263</b>   | <b>676,019</b>                | <b>3%</b>                    | <b>22,154,880</b>   | <b>2,002,402</b>              | <b>9%</b>                    |
| Utilities  | 3,088,783           | 2,927,650           | 161,133                       | 6%                           | 2,694,466           | 394,317                       | 15%                          |
| Supplies   | 1,753,496           | 1,787,991           | (34,495)                      | -2%                          | 1,297,829           | 455,667                       | 35%                          |
| Promotion  | 75,100              | 91,900              | (16,800)                      | -18%                         | 36,359              | 38,741                        | 107%                         |
| Security   | 190,000             | 200,000             | (10,000)                      | -5%                          | 83,352              | 106,648                       | 128%                         |
| Repairs and maintenance  | 649,372             | 664,329             | (14,957)                      | -2%                          | 489,282             | 160,089                       | 33%                          |
| Subcontractors   | 526,294             | 733,128             | (206,834)                     | -28%                         | 361,150             | 165,144                       | 46%                          |
| Professional fees  | 225,900             | 213,000             | 12,900                        | 6%                           | 305,817             | (79,917)                      | -26%                         |
| Insurance  | 636,000             | 606,000             | 30,000                        | 5%                           | 689,883             | (53,883)                      | -8%                          |
| Travel and meals   | 282,430             | 243,620             | 38,810                        | 16%                          | 184,176             | 98,254                        | 53%                          |
| Information technology   | 455,160             | 383,524             | 71,636                        | 19%                          | 379,335             | 75,825                        | 20%                          |
| Office and general   | 115,312             | 123,530             | (8,218)                       | -7%                          | 106,319             | 8,993                         | 8%                           |
| Bank charges and penalties   | 260,520             | 205,700             | 54,820                        | 27%                          | 211,946             | 48,574                        | 23%                          |
| Equipment and miscellaneous rentals  | 190,186             | 166,135             | 24,051                        | 14%                          | 187,857             | 2,329                         | 1%                           |
| Advertising  | 256,000             | 274,278             | (18,278)                      | -7%                          | 331,770             | (75,770)                      | -23%                         |
| Bad debts  | 30,000              | 60,000              | (30,000)                      | -50%                         | 90,000              | (60,000)                      | -67%                         |
| Training   | 110,988             | 87,107              | 23,881                        | 27%                          | 70,164              | 40,824                        | 58%                          |
| Licenses, fees and permits   | 47,740              | 39,200              | 8,540                         | 22%                          | 26,456              | 21,284                        | 80%                          |
| Entertainers, prizes and trophies  | 6,000               | 13,350              | (7,350)                       | -55%                         | 3,446               | 2,554                         | 74%                          |
| Freight  | 40,935              | 41,155              | (220)                         | -1%                          | 45,117              | (4,182)                       | -9%                          |
| Telephone  | 75,704              | 66,000              | 9,704                         | 15%                          | 49,041              | 26,663                        | 54%                          |
| Miscellaneous  | 1,200               | 1,150               | 50                            | 4%                           | 3,647               | (2,447)                       | -67%                         |
| Inventory adjustments  | 0                   | 0                   | 0                             | **                           | 0                   | 0                             | **                           |
| Start-up expenses  | 0                   | 0                   | 0                             | **                           | 0                   | 0                             | **                           |
| Interest on capital leases   | 0                   | 0                   | 0                             | **                           | 0                   | 0                             | **                           |
| <b>Other Operating Expenses</b>  | <b>9,017,120</b>    | <b>8,928,746</b>    | <b>88,374</b>                 | <b>1%</b>                    | <b>7,647,412</b>    | <b>1,369,708</b>              | <b>18%</b>                   |
| <b>Operating Expenses<br/>(Wages and Benefits plus Other Operating Expenses)</b>   | <b>33,174,402</b>   | <b>32,410,009</b>   | <b>764,393</b>                | <b>2%</b>                    | <b>29,802,291</b>   | <b>3,372,111</b>              | <b>11%</b>                   |
| <b>Operating Profit (Loss)<br/>(Contribution Margin less Wages &amp; Benefits less Operating Expenses)</b>                   | <b>(17,513,373)</b> | <b>(16,198,994)</b> | <b>(1,314,379)</b>            | <b>8%</b>                    | <b>(14,472,125)</b> | <b>(3,041,249)</b>            | <b>21%</b>                   |
| Contributions from the Regional Municipality of Wood Buffalo (Revenue)   | 17,575,374          | 16,270,995          | 1,304,379                     | 8%                           | 14,256,899          | 3,318,475                     | 23%                          |
| Amortization of deferred capital contributions (Revenue)   | 3,688,500           | 3,797,400           | (108,900)                     | -3%                          | 3,649,303           | 39,197                        | 1%                           |
| Gain (Loss) on disposal of capital assets (Revenue)  | 0                   | 0                   | 0                             | **                           | 246,933             | (246,933)                     | **                           |
| Amortization of capital assets (Expense)   | 3,750,500           | 3,869,400           | (118,900)                     | -3%                          | 3,681,009           | 69,491                        | 2%                           |
| <b>Non-Operating Revenues and Expenses</b>   | <b>17,513,374</b>   | <b>16,198,995</b>   | <b>1,314,379</b>              | <b>8%</b>                    | <b>14,472,126</b>   | <b>3,041,248</b>              | <b>21%</b>                   |
| <b>Surplus (Deficiency) of Revenues over Expenses<br/>(Operating Profit (Loss) less Non-Operating Revenues and Expenses)</b> | <b>0</b>            | <b>0</b>            | <b>0</b>                      | <b>8%</b>                    | <b>1</b>            | <b>(1)</b>                    | <b>-70%</b>                  |



|  | 2020 Budget        | 2019 Budget      | Variance to<br>2019 Budget \$ | Variance to<br>2019 Budget % | 2018 Actual      | Variance to<br>2018 Actual \$ | Variance to<br>2018 Actual % |
|--|--------------------|------------------|-------------------------------|------------------------------|------------------|-------------------------------|------------------------------|
| Hospitality (food and beverage)  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Memberships  | 72,476             | 75,478           | (3,002)                       | -4%                          | 75,489           | (3,012)                       | -4%                          |
| User fees and admissions   | 7,367              | 17,790           | (10,423)                      | -59%                         | 9,846            | (2,479)                       | -25%                         |
| Events   | 2,400              | 6,600            | (4,200)                       | -64%                         | 945              | 1,455                         | 154%                         |
| Facility and equipment rental  | 136,366            | 127,209          | 9,158                         | 7%                           | 112,477          | 23,890                        | 21%                          |
| Leased Premises  | 135,392            | 115,302          | 20,090                        | 17%                          | 133,755          | 1,637                         | 1%                           |
| Programs   | 57,200             | 89,500           | (32,300)                      | -36%                         | 88,365           | (31,165)                      | -35%                         |
| Sponsorships and Advertising   | 59,000             | 73,092           | (14,092)                      | -19%                         | 84,658           | (25,658)                      | -30%                         |
| Other  | 20,972             | 31,200           | (10,228)                      | -33%                         | 24,803           | (3,831)                       | -15%                         |
| Pro-shop merchandise sales   | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Service agreement  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| <b>Operating Revenue</b>   | <b>491,173</b>     | <b>536,171</b>   | <b>(44,997)</b>               | <b>-8%</b>                   | <b>530,338</b>   | <b>(39,165)</b>               | <b>-7%</b>                   |
| Events and Hospitality   | 8,160              | 9,000            | (840)                         | -9%                          | 16,500           | (8,340)                       | -51%                         |
| Pro-shop merchandise sales   | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Sponsorship fulfillment  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| <b>Cost of Goods Sold</b>  | <b>8,160</b>       | <b>9,000</b>     | <b>(840)</b>                  | <b>-9%</b>                   | <b>16,500</b>    | <b>(8,340)</b>                | <b>-51%</b>                  |
| <b>Contribution Margin<br/>(Operating Revenue less Cost of Goods Sold)</b>   | <b>483,013</b>     | <b>527,171</b>   | <b>(44,157)</b>               | <b>-8%</b>                   | <b>513,838</b>   | <b>(30,825)</b>               | <b>-6%</b>                   |
| <b>Wages &amp; Benefits</b>  | <b>938,351</b>     | <b>810,222</b>   | <b>128,129</b>                | <b>16%</b>                   | <b>817,070</b>   | <b>121,282</b>                | <b>15%</b>                   |
| Utilities  | 314,705            | 287,650          | 27,055                        | 9%                           | 266,843          | 47,862                        | 18%                          |
| Supplies   | 40,970             | 34,070           | 6,900                         | 20%                          | 38,551           | 2,419                         | 6%                           |
| Promotion  | 0                  | 0                | 0                             | **                           | 776              | (776)                         | **                           |
| Security   | 0                  | 10,000           | (10,000)                      | **                           | 0                | 0                             | **                           |
| Repairs and maintenance  | 58,380             | 44,210           | 14,170                        | 32%                          | 25,341           | 33,039                        | 130%                         |
| Subcontractors   | 78,464             | 67,900           | 10,564                        | 16%                          | 89,209           | (10,745)                      | -12%                         |
| Professional fees  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Insurance  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Travel and meals   | 1,700              | 0                | 1,700                         | **                           | 838              | 862                           | 103%                         |
| Information technology   | 34,128             | 28,800           | 5,328                         | 19%                          | 25,200           | 8,928                         | 35%                          |
| Office and general   | 3,600              | 5,400            | (1,800)                       | -33%                         | 3,540            | 60                            | 2%                           |
| Bank charges and penalties   | 1,800              | 3,300            | (1,500)                       | -45%                         | 1,292            | 508                           | 39%                          |
| Equipment and miscellaneous rentals  | 2,500              | 6,100            | (3,600)                       | -59%                         | 2,863            | (363)                         | -13%                         |
| Advertising  | 2,400              | 3,600            | (1,200)                       | -33%                         | 910              | 1,490                         | 164%                         |
| Bad debts  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Training   | 5,530              | 0                | 5,530                         | **                           | 0                | 5,530                         | **                           |
| Licenses, fees and permits   | 7,500              | 50               | 7,450                         | 14900%                       | 50               | 7,450                         | 14900%                       |
| Entertainers, prizes and trophies  | 0                  | 1,650            | (1,650)                       | **                           | 891              | (891)                         | **                           |
| Freight  | 700                | 1,190            | (490)                         | -41%                         | 881              | (181)                         | -21%                         |
| Telephone  | 3,504              | 3,300            | 204                           | 6%                           | 3,430            | 74                            | 2%                           |
| Miscellaneous  | 0                  | 0                | 0                             | **                           | 1,091            | (1,091)                       | **                           |
| Inventory adjustments  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Start-up expenses  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Interest on capital leases   | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| <b>Other Operating Expenses</b>  | <b>555,881</b>     | <b>497,220</b>   | <b>58,661</b>                 | <b>12%</b>                   | <b>461,705</b>   | <b>94,176</b>                 | <b>20%</b>                   |
| <b>Operating Expenses<br/>(Wages and Benefits plus Other Operating Expenses)</b>   | <b>1,494,233</b>   | <b>1,307,442</b> | <b>186,790</b>                | <b>14%</b>                   | <b>1,278,775</b> | <b>215,458</b>                | <b>17%</b>                   |
| <b>Operating Profit (Loss)<br/>(Contribution Margin less Wages &amp; Benefits less Operating Expenses)</b>                   | <b>(1,011,220)</b> | <b>(780,272)</b> | <b>(230,948)</b>              | <b>30%</b>                   | <b>(764,937)</b> | <b>(246,283)</b>              | <b>32%</b>                   |
| Contributions from the Regional Municipality of Wood Buffalo (Revenue)   | 1,011,220          | 780,272          | 230,948                       | 30%                          | 912,784          | 98,436                        | 11%                          |
| Amortization of deferred capital contributions (Revenue)   | 92,000             | 144,000          | (52,000)                      | -36%                         | 0                | 92,000                        | **                           |
| Gain (Loss) on disposal of capital assets (Revenue)  | 0                  | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Amortization of capital assets (Expense)   | 92,000             | 144,000          | (52,000)                      | -36%                         | 147,846          | (55,846)                      | -38%                         |
| <b>Non-Operating Revenues and Expenses</b>   | <b>1,011,220</b>   | <b>780,272</b>   | <b>230,948</b>                | <b>30%</b>                   | <b>764,938</b>   | <b>246,282</b>                | <b>32%</b>                   |
| <b>Surplus (Deficiency) of Revenues over Expenses<br/>(Operating Profit (Loss) less Non-Operating Revenues and Expenses)</b> | <b>0</b>           | <b>0</b>         | <b>0</b>                      | <b>**</b>                    | <b>1</b>         | <b>(0)</b>                    | <b>-52%</b>                  |



|  | 2020 Budget        | 2019 Budget        | Variance to<br>2019 Budget \$ | Variance to<br>2019 Budget % | 2018 Actual      | Variance to<br>2018 Actual \$ | Variance to<br>2018 Actual % |
|--|--------------------|--------------------|-------------------------------|------------------------------|------------------|-------------------------------|------------------------------|
| Hospitality (food and beverage)  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Memberships  | 17,474             | 0                  | 17,474                        | **                           | 2,606            | 14,868                        | 571%                         |
| User fees and admissions   | 11,495             | 0                  | 11,495                        | **                           | 842              | 10,653                        | 1265%                        |
| Events   | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Facility and equipment rental  | 12,350             | 11,400             | 950                           | 8%                           | 1,786            | 10,564                        | 592%                         |
| Leased Premises  | 3,060              | 5,160              | (2,100)                       | -41%                         | 0                | 3,060                         | **                           |
| Programs   | 1,900              | 0                  | 1,900                         | **                           | 0                | 1,900                         | **                           |
| Sponsorships and Advertising   | 13,300             | 9,996              | 3,304                         | 33%                          | 0                | 13,300                        | **                           |
| Other  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Pro-shop merchandise sales   | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Service agreement  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| <b>Operating Revenue</b>   | <b>59,579</b>      | <b>26,556</b>      | <b>33,023</b>                 | <b>124%</b>                  | <b>5,234</b>     | <b>54,345</b>                 | <b>1038%</b>                 |
| Events and Hospitality   | 600                | 0                  | 600                           | **                           | 0                | 600                           | **                           |
| Pro-shop merchandise sales   | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Sponsorship fulfillment  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| <b>Cost of Goods Sold</b>  | <b>600</b>         | <b>0</b>           | <b>600</b>                    | <b>**</b>                    | <b>0</b>         | <b>600</b>                    | <b>**</b>                    |
| <b>Contribution Margin<br/>(Operating Revenue less Cost of Goods Sold)</b>   | <b>58,979</b>      | <b>26,556</b>      | <b>32,423</b>                 | <b>122%</b>                  | <b>5,234</b>     | <b>53,745</b>                 | <b>1027%</b>                 |
| <b>Wages &amp; Benefits</b>  | <b>616,451</b>     | <b>590,951</b>     | <b>25,500</b>                 | <b>4%</b>                    | <b>148,370</b>   | <b>468,081</b>                | <b>315%</b>                  |
| Utilities  | 267,000            | 266,400            | 600                           | 0%                           | 40,317           | 226,683                       | 562%                         |
| Supplies   | 28,590             | 39,720             | (11,130)                      | -28%                         | 7,041            | 21,549                        | 306%                         |
| Promotion  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Security   | 190,000            | 190,000            | (0)                           | 0%                           | 83,352           | 106,648                       | 128%                         |
| Repairs and maintenance  | 56,105             | 30,240             | 25,865                        | 86%                          | 0                | 56,105                        | **                           |
| Subcontractors   | 63,000             | 218,288            | (155,288)                     | -71%                         | 8,490            | 54,510                        | 642%                         |
| Professional fees  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Insurance  | 60,000             | 60,000             | 0                             | **                           | 0                | 60,000                        | **                           |
| Travel and meals   | 117,600            | 60,000             | 57,600                        | 96%                          | 24,145           | 93,455                        | 387%                         |
| Information technology   | 12,960             | 43,000             | (30,040)                      | -70%                         | 7,099            | 5,861                         | 83%                          |
| Office and general   | 4,800              | 5,400              | (600)                         | -11%                         | 1,180            | 3,620                         | 307%                         |
| Bank charges and penalties   | 720                | 0                  | 720                           | **                           | 55               | 665                           | 1198%                        |
| Equipment and miscellaneous rentals  | 8,000              | 10,200             | (2,200)                       | -22%                         | 767              | 7,233                         | 943%                         |
| Advertising  | 1,800              | 4,500              | (2,700)                       | -60%                         | 0                | 1,800                         | **                           |
| Bad debts  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Training   | 5,600              | 0                  | 5,600                         | **                           | 6,719            | (1,119)                       | -17%                         |
| Licenses, fees and permits   | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Entertainers, prizes and trophies  | 1,200              | 2,000              | (800)                         | -40%                         | 0                | 1,200                         | **                           |
| Freight  | 2,160              | 2,160              | 0                             | **                           | 0                | 2,160                         | **                           |
| Telephone  | 7,200              | 4,200              | 3,000                         | 71%                          | 2,653            | 4,547                         | 171%                         |
| Miscellaneous  | 0                  | 0                  | 0                             | **                           | 72               | (72)                          | **                           |
| Inventory adjustments  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Start-up expenses  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Interest on capital leases   | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| <b>Other Operating Expenses</b>  | <b>826,735</b>     | <b>936,108</b>     | <b>(109,373)</b>              | <b>-12%</b>                  | <b>181,889</b>   | <b>644,846</b>                | <b>355%</b>                  |
| <b>Operating Expenses<br/>(Wages and Benefits plus Other Operating Expenses)</b>   | <b>1,443,186</b>   | <b>1,527,059</b>   | <b>(83,873)</b>               | <b>-5%</b>                   | <b>330,259</b>   | <b>1,112,927</b>              | <b>337%</b>                  |
| <b>Operating Profit (Loss)<br/>(Contribution Margin less Wages &amp; Benefits less Operating Expenses)</b>                   | <b>(1,384,207)</b> | <b>(1,500,503)</b> | <b>116,296</b>                | <b>-8%</b>                   | <b>(325,025)</b> | <b>(1,059,182)</b>            | <b>326%</b>                  |
| Contributions from the Regional Municipality of Wood Buffalo (Revenue)   | 1,384,207          | 1,500,503          | (116,296)                     | -8%                          | 325,026          | 1,059,181                     | 326%                         |
| Amortization of deferred capital contributions (Revenue)   | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Gain (Loss) on disposal of capital assets (Revenue)  | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| Amortization of capital assets (Expense)   | 0                  | 0                  | 0                             | **                           | 0                | 0                             | **                           |
| <b>Non-Operating Revenues and Expenses</b>   | <b>1,384,207</b>   | <b>1,500,503</b>   | <b>(116,296)</b>              | <b>-8%</b>                   | <b>325,026</b>   | <b>1,059,181</b>              | <b>326%</b>                  |
| <b>Surplus (Deficiency) of Revenues over Expenses<br/>(Operating Profit (Loss) less Non-Operating Revenues and Expenses)</b> | <b>(0)</b>         | <b>0</b>           | <b>(0)</b>                    | <b>**</b>                    | <b>1</b>         | <b>(1)</b>                    | <b>-154%</b>                 |

|  | 2020 Budget      | 2019 Budget      | Variance to<br>2019 Budget \$ | Variance to<br>2019 Budget % | 2018 Actual      | Variance to<br>2018 Actual \$ | Variance to<br>2018 Actual % |
|--|------------------|------------------|-------------------------------|------------------------------|------------------|-------------------------------|------------------------------|
| Hospitality (food and beverage)  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Memberships  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| User fees and admissions   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Events   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Facility and equipment rental  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Leased Premises  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Programs   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Sponsorships and Advertising   | 18,600           | 18,600           | 0                             | **                           | 20,735           | (2,135)                       | -10%                         |
| Other  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Pro-shop merchandise sales   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Service agreement  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| <b>Operating Revenue</b>   | <b>18,600</b>    | <b>18,600</b>    | <b>0</b>                      | <b>**</b>                    | <b>20,735</b>    | <b>(2,135)</b>                | <b>-10%</b>                  |
| Events and Hospitality   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Pro-shop merchandise sales   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Sponsorship fulfillment  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| <b>Cost of Goods Sold</b>  | <b>0</b>         | <b>0</b>         | <b>0</b>                      | <b>**</b>                    | <b>0</b>         | <b>0</b>                      | <b>**</b>                    |
| <b>Contribution Margin<br/>(Operating Revenue less Cost of Goods Sold)</b>   | <b>18,600</b>    | <b>18,600</b>    | <b>0</b>                      | <b>**</b>                    | <b>20,735</b>    | <b>(2,135)</b>                | <b>-10%</b>                  |
| <b>Wages &amp; Benefits</b>  | <b>286,524</b>   | <b>363,042</b>   | <b>(76,518)</b>               | <b>-21%</b>                  | <b>253,122</b>   | <b>33,401</b>                 | <b>13%</b>                   |
| Utilities  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Supplies   | 7,500            | 13,800           | (6,300)                       | -46%                         | 7,236            | 264                           | 4%                           |
| Promotion  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Security   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Repairs and maintenance  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Subcontractors   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Professional fees  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Insurance  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Travel and meals   | 98,780           | 109,950          | (11,170)                      | -10%                         | 129,991          | (31,211)                      | -24%                         |
| Information technology   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Office and general   | 0                | 2,000            | (2,000)                       | **                           | 650              | (650)                         | **                           |
| Bank charges and penalties   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Equipment and miscellaneous rentals  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Advertising  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Bad debts  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Training   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Licenses, fees and permits   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Entertainers, prizes and trophies  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Freight  | 900              | 600              | 300                           | 50%                          | 714              | 186                           | 26%                          |
| Telephone  | 0                | 1,200            | (1,200)                       | **                           | 1,244            | (1,244)                       | **                           |
| Miscellaneous  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Inventory adjustments  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Start-up expenses  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Interest on capital leases   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| <b>Other Operating Expenses</b>  | <b>107,180</b>   | <b>127,550</b>   | <b>(20,370)</b>               | <b>-16%</b>                  | <b>139,835</b>   | <b>(32,655)</b>               | <b>-23%</b>                  |
| <b>Operating Expenses<br/>(Wages and Benefits plus Other Operating Expenses)</b>   | <b>393,704</b>   | <b>490,592</b>   | <b>(96,888)</b>               | <b>-20%</b>                  | <b>392,957</b>   | <b>746</b>                    | <b>0%</b>                    |
| <b>Operating Profit (Loss)<br/>(Contribution Margin less Wages &amp; Benefits less Operating Expenses)</b>                   | <b>(375,104)</b> | <b>(471,992)</b> | <b>96,888</b>                 | <b>-21%</b>                  | <b>(372,223)</b> | <b>(2,881)</b>                | <b>1%</b>                    |
| Contributions from the Regional Municipality of Wood Buffalo (Revenue)   | 375,104          | 471,992          | (96,888)                      | -21%                         | 372,222          | 2,882                         | 1%                           |
| Amortization of deferred capital contributions (Revenue)   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Gain (Loss) on disposal of capital assets (Revenue)  | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| Amortization of capital assets (Expense)   | 0                | 0                | 0                             | **                           | 0                | 0                             | **                           |
| <b>Non-Operating Revenues and Expenses</b>   | <b>375,104</b>   | <b>471,992</b>   | <b>(96,888)</b>               | <b>-21%</b>                  | <b>372,222</b>   | <b>2,882</b>                  | <b>1%</b>                    |
| <b>Surplus (Deficiency) of Revenues over Expenses<br/>(Operating Profit (Loss) less Non-Operating Revenues and Expenses)</b> | <b>0</b>         | <b>0</b>         | <b>0</b>                      | <b>**</b>                    | <b>(1)</b>       | <b>1</b>                      | <b>-149%</b>                 |

| Project Sponsor       | Segment             | Lifecycle Project Name                        | 2020 Lifecycle Amount |
|-----------------------|---------------------|---|-----------------------|
| Facilities Management | Grounds             | Fleet Equipment - Tractor and Dewatering Pump | 200,000               |
| Facilities Management | Grounds             | Autoscrubber Replacement                      | 25,000                |
| Golf                  | Golf Maintenance    | Washroom Facilities Replacement               | 85,000                |
| Golf                  | Golf Maintenance    | Irrigation Pump (Pond Fountain) Replacement   | 25,000                |
| Sport & Recreation    | Aquatics            | Staff Room Floor Replacement                  | 10,000                |
| Sport & Recreation    | Fitness             | Steppers and Step Mills Replacement           | 66,000                |
| Sport & Recreation    | Sport Services      | Climbing Wall Refresh                         | 100,000               |
| Sport & Recreation    | Fitness             | Circuit Equipment Replacement (phase 1)       | 60,000                |
| Facilities Management | Pool Operations     | 1 Meter Diving Board Replacement              | 20,000                |
| Facilities Management | Building Operations | Roof Sealing and Repair                       | 300,000               |
| Facilities Management | Building Operations | Implement Facility Assessment Recommendations | 250,000               |
| Facilities Management | Building Operations | HVAC Replacement (MIP)                        | 110,000               |
| Facilities Management | Pool Operations     | Splashpad Floor Replacement                   | 200,000               |
| Facilities Management | Pool Operations     | Training Pool Floor and Wall Replacement      | 250,000               |
| Facilities Management | Pool Operations     | Leisure Pool Tiles Replacement                | 180,000               |
| Facilities Management | Pool Operations     | Lazy River Floor and Tile Replacement         | 500,000               |
| Business Development  | Conversions         | Implement AV Audit Recommendations            | 150,000               |
|                       |                     |   |                       |
| Subtotal Lifecycle    |                     |   | 2,531,000             |
| Contingency (10%)     |                     |   | 253,100               |
| Total Lifecycle       |                     |   | 2,784,100             |

*Consolidated Financial Statements of*

**REGIONAL RECREATION  
CORPORATION OF WOOD BUFFALO**

*December 31, 2018*

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

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## **Management's responsibility for the financial statements**


The accompanying consolidated financial statements of the Regional Recreation Corporation of Wood Buffalo (the "Corporation") are the responsibility of the Corporation's management, and have been prepared in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies followed by the Corporation are described in Note 2 to the consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Corporation's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for the preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board of Directors meet with management and the external auditors to review the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to the Board of Directors' approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Corporation. The accompanying independent auditor's report outlines their responsibilities, the scope of their examination and their opinion on the Corporation's consolidated financial statements.

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Signature

## Independent Auditor's Report

To the Board of Directors of the Regional Recreation Corporation of Wood Buffalo

We have audited the accompanying consolidated financial statements of the Regional Recreation Corporation of Wood Buffalo, which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations, changes in net assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional Recreation Corporation of Wood Buffalo as at December 31, 2018, and the results of its operations, its remeasurement gains and losses and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
March 30, 2018

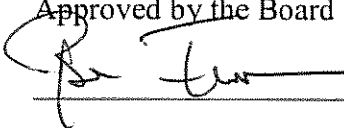
# TABLE OF CONTENTS

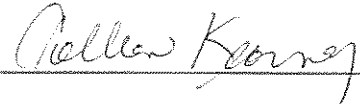
|   | <u>PAGE</u> |
|---|-------------|
| Consolidated Statement of Financial Position    | 1           |
| Consolidated Statement of Operations            | 2           |
| Consolidated Statement of Changes in Net Assets | 3           |
| Consolidated Statement of Cash Flow             | 4           |
| Notes to the Consolidated Financial Statements  | 5 – 13      |

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Financial Position**  
**As at December 31, 2018**

|   | 2018                 | 2017                 |
|---|----------------------|----------------------|
| <b>ASSETS</b>   |                      |                      |
| <b>CURRENT</b>  |                      |                      |
| Cash and cash equivalents (Note 3)                        | \$ 10,991,541        | \$ 13,459,426        |
| Accounts receivable                                       | 1,079,357            | 1,241,959            |
| Inventories (Note 4)                                      | 265,563              | 308,131              |
| Prepaid expenses and deposits (Note 5)                    | 914,408              | 249,276              |
|   | <u>13,250,869</u>    | <u>15,258,792</u>    |
| <br>CAPITAL ASSETS (Note 7)                               | <br>18,709,255       | <br>19,914,910       |
|   | <u>\$ 31,960,124</u> | <u>\$ 35,173,702</u> |
| <b>LIABILITIES</b>  |                      |                      |
| <b>CURRENT</b>  |                      |                      |
| Accounts payable and accrued liabilities                  | \$ 1,452,185         | \$ 1,775,248         |
| Accrued payroll liabilities                               | 1,814,746            | 1,591,927            |
| Deposits and funds held in trust                          | 50,532               | 55,348               |
| Current portion of deferred revenue (Note 8)              | 3,014,856            | 2,049,293            |
| Due to the Regional Municipality of Wood Buffalo (Note 6) | 1,223,277            | 2,837,265            |
|   | <u>7,555,596</u>     | <u>8,309,081</u>     |
| DEFERRED REVENUE (Note 8)                                 | 1,704,514            | 2,096,540            |
| DEFERRED CAPITAL CONTRIBUTIONS (Note 9)                   | 1,861,636            | 2,530,820            |
| UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS (Note 10)      | 18,447,464           | 19,846,347           |
|   | <u>29,569,210</u>    | <u>32,782,788</u>    |
| CREDIT FACILITY (Note 13)                                 |                      |                      |
| CONTRACTUAL OBLIGATIONS (Note 14)                         |                      |                      |
| <b>NET ASSETS</b>   |                      |                      |
| Unrestricted surplus                                      | 2,045,935            | 2,239,454            |
| Invested in capital assets                                | 261,791              | 68,563               |
| Internally restricted - Mi Fund (Note 12)                 | 83,188               | 82,897               |
|   | <u>2,390,914</u>     | <u>2,390,914</u>     |
|   | <u>\$ 31,960,124</u> | <u>\$ 35,173,702</u> |

Approved by the Board

 Director

 Director

The accompanying notes are an integral part of these consolidated financial statements.



**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Operations**  
**For the year ended December 31, 2018**

|  | 2018              | 2017              |
|--|-------------------|-------------------|
| <b>REVENUES</b>  |                   |                   |
| Contributions from the Regional Municipality of Wood Buffalo (Note 15) | \$ 14,256,899     | \$ 14,190,331     |
| Hospitality (food and beverage)  | 4,549,770         | 4,607,339         |
| Amortization of deferred capital contributions (Note 10)               | 3,649,303         | 6,504,618         |
| Facility and equipment rental  | 3,127,833         | 2,769,244         |
| Memberships  | 2,869,090         | 3,391,771         |
| User fees and admissions   | 2,386,989         | 2,266,322         |
| Programs   | 1,934,678         | 1,704,728         |
| Sponsorships and donations   | 1,275,342         | 1,256,615         |
| Other  | 1,003,222         | 1,508,928         |
| Service agreement  | 556,500           | 530,735           |
| Events   | 474,700           | 1,540,671         |
| Pro-shop merchandise sales   | 336,406           | 272,845           |
|  | <b>36,420,732</b> | <b>40,544,147</b> |
| <b>COST OF GOODS SOLD</b>  |                   |                   |
| Events and Hospitality (Note 11)                                       | 2,692,370         | 3,980,103         |
| Pro-shop merchandise sales   | 314,374           | 251,896           |
| Sponsorship fulfillment  | 177,620           | 206,801           |
|  | <b>3,184,364</b>  | <b>4,438,800</b>  |
| <b>EXCESS OF REVENUES OVER COST OF GOODS SOLD</b>                      | <b>33,236,368</b> | <b>36,105,347</b> |
| <b>EXPENSES</b>  |                   |                   |
| Wages and benefits   | 22,154,880        | 22,175,520        |
| Amortization of capital assets   | 3,681,009         | 6,518,970         |
| Utilities  | 2,694,466         | 2,403,783         |
| Supplies   | 1,297,829         | 1,335,162         |
| Insurance  | 689,883           | 365,481           |
| Repairs and maintenance  | 489,282           | 477,837           |
| Information technology   | 379,335           | 451,728           |
| Subcontractors   | 361,150           | 336,593           |
| Advertising  | 331,770           | 244,860           |
| Professional fees  | 305,817           | 297,715           |
| Bank charges and penalties   | 211,946           | 234,989           |
| Equipment and miscellaneous rentals                                    | 187,857           | 127,443           |
| Travel and meals   | 184,176           | 198,065           |
| Office and general   | 106,319           | 82,364            |
| Bad debts  | 90,000            | 204,851           |
| Security   | 83,352            | 204,533           |
| Training   | 70,164            | 94,324            |
| Telephone  | 49,041            | 52,846            |
| Freight  | 45,117            | 50,550            |
| Promotion  | 36,359            | 45,610            |
| Licenses, fees and permits   | 26,456            | 40,288            |
| Miscellaneous  | 3,647             | 31,702            |
| Entertainers, prizes and trophies                                      | 3,446             | 29,351            |
| (Gain) loss on disposal of capital assets                              | (246,933)         | 100,782           |
|  | <b>33,236,368</b> | <b>36,105,347</b> |
| <b>SURPLUS OF REVENUES OVER EXPENSES</b>                               | <b>\$ -</b>       | <b>\$ -</b>       |

The accompanying notes are an integral part of these consolidated financial statements.

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Changes in Net Assets**  
**For the year ended December 31, 2018**

|  | Unrestricted<br>Surplus | Invested in Capital<br>Assets | Internally restricted<br>- MI Fund | 2018                |
|--|-------------------------|-------------------------------|------------------------------------|---------------------|
| Balance, Beginning of Year               | \$ 2,239,454            | \$ 68,563                     | \$ 82,897                          | \$ 2,390,914        |
| Internally Imposed Restriction (Note 12) | (291)                   | -                             | 291                                | -                   |
| Invested in Capital Assets - net         | (193,228)               | 193,228                       | -                                  | -                   |
| Balance, End of Year                     | <u>\$ 2,045,935</u>     | <u>\$ 261,791</u>             | <u>\$ 83,188</u>                   | <u>\$ 2,390,914</u> |
|  | Unrestricted<br>Surplus | Invested in Capital<br>Assets | Internally restricted -<br>MI Fund | 2017                |
| Balance, Beginning of Year               | \$ 2,085,265            | \$ 223,106                    | \$ 82,543                          | \$ 2,390,914        |
| Internally Imposed Restriction (Note 12) | (354)                   | -                             | 354                                | -                   |
| Invested in Capital Assets - net         | 154,543                 | (154,543)                     | -                                  | -                   |
| Balance, End of Year                     | <u>\$ 2,239,454</u>     | <u>\$ 68,563</u>              | <u>\$ 82,897</u>                   | <u>\$ 2,390,914</u> |

The accompanying notes are an integral part of these consolidated financial statements.

**REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**  
**Consolidated Statement of Cash Flow**  
**For the year ended December 31, 2018**

|  | 2018          | 2017          |
|--|---------------|---------------|
| <b>CASH PROVIDED BY (USED IN)</b>                                |               |               |
| <b>OPERATING</b>   |               |               |
| Surplus of revenues over expenses                                | \$ -          | \$ -          |
| <b>Items not affecting cash</b>                                  |               |               |
| Amortization of deferred capital contributions                   | (3,649,303)   | (6,504,618)   |
| Amortization of capital assets                                   | 3,681,009     | 6,518,970     |
| Loss on disposal of capital assets                               | (246,933)     | 100,782       |
| <b>Changes in non-cash operating working capital items</b>       |               |               |
| Accounts receivable  | 162,602       | 1,641,140     |
| Inventories  | 42,568        | 136,499       |
| Prepaid expenses and deposits                                    | (665,132)     | (51,013)      |
| Due to the Regional Municipality of Wood Buffalo                 | (1,613,988)   | 534,921       |
| Due from the Regional Municipality of Wood Buffalo Library Board | -             | 45,183        |
| Accounts payable and accrued liabilities                         | (346,651)     | (378,092)     |
| Accrued payroll liabilities                                      | 222,819       | (406,339)     |
| Deposits and funds held in trust                                 | (4,816)       | (1,109)       |
| Deferred revenue   | 573,537       | (805,961)     |
|  | (1,844,288)   | 830,363       |
| <b>FINANCING</b>   |               |               |
| Contributions received for the purchase of capital assets        | 1,581,236     | 2,465,036     |
| <b>CAPITAL</b>   |               |               |
| Purchase of capital assets                                       | (2,226,833)   | (1,702,959)   |
| Proceeds from disposal of capital assets                         | 22,000        | 39,409        |
|  | (2,204,833)   | (1,663,550)   |
| Increase in cash and cash equivalents                            | (2,467,885)   | 1,631,849     |
| Cash and cash equivalents, beginning of year                     | 13,459,426    | 11,827,577    |
| <b>Cash and cash equivalents, end of year</b>                    | \$ 10,991,541 | \$ 13,459,426 |

The accompanying notes are an integral part of these consolidated financial statements.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

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### 1. NATURE OF THE ORGANIZATION

The Regional Recreation Corporation of Wood Buffalo (the “Corporation”) is a not-for-profit corporation that was incorporated on June 10, 2013, under the Canada Not-for-profit Corporations Act and is not subject to any federal or provincial income taxes. The Corporation was established by the Regional Municipality of Wood Buffalo to operate MacDonald Island Park, Anzac Recreation Centre (indoor operations only), Fort Chipewyan Aquatics Centre (aquatics programming only) Conklin Multiplex (indoor operations only), and any additional recreational and cultural facilities as the Municipality may from time to time request. The Regional Municipality of Wood Buffalo provides operating and capital contributions to the Corporation on an annual basis to support the Corporation’s activities. The Regional Municipality of Wood Buffalo and the Corporation have a 15 year operating agreement that commenced July 1, 2017.

The Corporation has one member – the Regional Municipality of Wood Buffalo (the “Municipality”).

### 2. SIGNIFICANT ACCOUNTING POLICIES

The Corporation’s accounting policies set out below have been applied consistently to all policies presented in these consolidated financial statements (the “financial statements”) and reflect the following policies:

#### *Basis of presentation*

The financial statements have been prepared by management in accordance with the PS 4200 series of the Canadian public sector accounting standards (“PSAS”). The precise determination of many assets and liabilities is dependent upon future events. Accordingly, the preparation of financial statements for a reporting period necessarily involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates. The financial statements have, in management’s opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

The financial statements include the accounts of the Corporation and its controlled not-for-profit organization, MacDonald Island Park Corporation (“MIPC”). MIPC is a Part IX corporation that was incorporated on February 5, 2004, under the Companies Act (Alberta) and is not subject to federal or provincial income taxes. On October 28, 2013, the Corporation was appointed the sole member of MIPC. MIPC is currently inactive.

#### *Controlled not-for-profit organizations*

The Corporation consolidates controlled not-for-profit organizations.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Financial instruments*

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, amounts due from the Regional Municipality of Wood Buffalo Library Board (the "Library Board"), amounts due to the Municipality, accounts payable and accrued liabilities, accrued payroll liabilities and deposits and funds held in trust. All of these instruments are initially recorded at fair value and subsequently measured at cost or amortized cost.

With respect to financial assets measured at cost or amortized cost, the Corporation recognizes in the consolidated statement of operations an impairment loss, if any, when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to net earnings in the period the reversal occurs.

#### *Revenue recognition*

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted capital contributions are recorded as deferred contributions until the amount is invested to acquire capital assets. Amounts invested representing externally funded capital assets are then transferred to unamortized deferred capital contributions. Unamortized deferred capital contributions are recognized as revenue in the year in which the related amortization expense of the funded capital asset is recorded.

Contributions of materials and services that would otherwise have been purchased are recorded at their fair value. The fair value of services provided by the Municipality has been reflected in the financial statements of the Corporation, unless otherwise noted. Volunteers assist the Corporation in carrying out its service delivery activities. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

Revenues from memberships, user fees, admissions, and sales of goods and services are recognized when services are performed or the customer takes ownership and assumes risk of loss, collection of the relevant receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Proceeds from the sale of lifetime golf memberships are deferred and recognized as revenue over a period of ten years. Revenues from sponsorships are recognized over the terms of the sponsorship agreements. Rental revenue is recognized in the month earned, in accordance with the tenants' rental agreements.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

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### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### *Cash and cash equivalents*

Cash and cash equivalents include cash on deposit and short-term investments with original maturities of three months or less.

#### *Inventories*

Inventories are recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

#### *Capital assets*

Capital assets are recorded at cost. Assets are amortized on a straight-line basis over the estimated useful life as follows:

|                                    |             |
|------------------------------------|-------------|
| Automobile                         | 5-10 years  |
| Computer hardware and software     | 1-5 years   |
| Equipment                          | 2-15 years  |
| Furniture and fixtures             | 3-10 years  |
| Golf course improvements           | 20-30 years |
| Building and building improvements | 10-50 years |

Capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

#### *Contributed services*

Contributed services are recorded at fair value when such value can be reasonably estimated and the services are used in the normal course of operations and would otherwise have been purchased.

#### *Use of estimates*

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Significant estimates include the carrying value and useful lives of capital assets, unamortized deferred capital contributions, amortization period of certain deferred revenues, and valuation allowances for receivables and inventories. Actual results could differ from those estimates.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

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### 3. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents is an amount of \$2,053,008 (2017 - \$3,485,596) which has been externally restricted by the Municipality and required to be placed into a separate interest bearing account used solely for the agreed upon capital projects. This amount is the unspent amount related to capital contributions from the Municipality plus interest, in addition to funds being returned to the Municipality in the transfer of the MIPEX (Shell Place) project.

### 4. INVENTORIES

|                 | 2018              | 2017              |
|-----------------|-------------------|-------------------|
| Golf - Pro Shop | 119,178           | \$ 167,601        |
| Hospitality     | 97,884            | 97,746            |
| Staff Uniform   | 41,136            | 33,135            |
| Supplies        | 7,365             | 9,649             |
|                 | <u>\$ 265,563</u> | <u>\$ 308,131</u> |

### 5. PREPAID EXPENSES AND DEPOSITS

Included in prepaid expenses and deposits is \$705,371 (2017 – nil) related to various future concerts.

### 6. DUE (TO) FROM RELATED PARTIES

The amount due to the Municipality relates to normal trade accounts receivable, normal trade accounts payable, return of capital assets purchased on behalf of the Municipality, and certain transactions that are processed by the Municipality on behalf of the Corporation. The amount due to the Municipality is unsecured, non-interest bearing and without scheduled repayment terms.

The amounts due from the Library Board in 2018 related to normal trade accounts receivable related to a service arrangement for rent, cleaning services, utilities and internet. The amount due from the Library board is unsecured, non-interest bearing and without scheduled repayment terms.

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

### 7. CAPITAL ASSETS

|                                    | 2018                 |                             |                      | 2017           |                   |
|------------------------------------|----------------------|-----------------------------|----------------------|----------------|-------------------|
|                                    | Cost                 | Accumulated<br>Amortization | Net Book Value       | Net Book Value |                   |
| Equipment                          | \$ 16,167,076        | \$ 10,656,982               | \$ 5,510,094         | \$             | 6,221,850         |
| Building and building improvements | 7,985,709            | 3,128,037                   | 4,857,672            |                | 4,498,308         |
| Golf course improvements           | 7,125,757            | 1,844,739                   | 5,281,018            |                | 5,516,943         |
| Furniture and fixtures             | 3,986,075            | 2,121,768                   | 1,864,307            |                | 2,299,157         |
| Computer hardware                  | 1,496,609            | 1,405,723                   | 90,886               |                | 211,901           |
| Computer software                  | 1,704,562            | 683,215                     | 1,021,347            |                | 1,052,467         |
| Automotive                         | 255,241              | 171,310                     | 83,931               |                | 114,284           |
|                                    | <b>\$ 38,721,029</b> | <b>\$ 20,011,774</b>        | <b>\$ 18,709,255</b> | <b>\$</b>      | <b>19,914,910</b> |

The Corporation is responsible for the operations and maintenance of the MacDonald Island Park, Anzac Recreation Centre (indoor only), Conklin Multiplex (indoor only), and aquatics programming at the Fort Chipewyan Aquatics Centre. These facilities are owned by the Municipality and these capital assets are not included in these financial statements. In addition, the Corporation is responsible for capital improvements to the golf course.

Included in capital additions are \$23,588 (2017 - \$647,338) that are included in accounts payable and accrued liabilities at year-end and \$253,500 (2017 - \$nil) in additions and proceeds, related to asset exchanges that were non-cash in nature during the year. As such, they are treated as non-cash transactions on the consolidated statement of cash flow.

### 8. DEFERRED REVENUE

Deferred revenue balance consists of the following:

|                           | 2018                | 2017                |
|---------------------------|---------------------|---------------------|
| Gift certificates         | \$ 146,343          | \$ 75,064           |
| Lifetime golf memberships | 33,605              | 44,384              |
| Fitness memberships       | 820,903             | 484,393             |
| Annual golf memberships   | 55,974              | 94,538              |
| Facility rentals          | 278,940             | 553,524             |
| Sponsorship agreements    | 2,267,743           | 2,597,469           |
| Box office                | 913,510             | 73,968              |
| Mi Fund                   | 202,352             | 222,493             |
|                           | <b>4,719,370</b>    | <b>4,145,833</b>    |
| Less current portion      | <b>3,014,856</b>    | <b>2,049,293</b>    |
|                           | <b>\$ 1,704,514</b> | <b>\$ 2,096,540</b> |

Included in the non-current liability portion of deferred revenue as at December 31, 2018, is \$21,501 (2017 - \$31,378) relating to lifetime golf memberships and \$1,535,498 (2017 - \$2,062,162) relating to sponsorship agreements.



# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

### 9. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent unspent funds contributed to the Corporation by the Municipality and other externally restricted capital funds that are to be used for future upgrades and improvements as follows:

|  | January 1, 2018     | Amounts<br>Received | Reallocation | Transfers<br>(Note 10) | December 31,<br>2018 |
|--|---------------------|---------------------|--------------|------------------------|----------------------|
| Shell Place Facility construction                    | \$ -                | \$ -                | \$ -         | \$ -                   | \$ -                 |
| Interest on grant received for capital projects      | -                   | 49,665              | -            | -                      | 49,665               |
| Synthetic field design and capital facility upgrades | 2,530,820           | 1,531,571           | -            | (2,250,420)            | 1,811,971            |
|  | <u>\$ 2,530,820</u> | <u>\$ 1,581,236</u> | <u>\$ -</u>  | <u>\$ (2,250,420)</u>  | <u>\$ 1,861,636</u>  |

|  | January 1, 2017     | Amounts<br>Received<br>(Returned) | Reallocation | Transfers<br>(Note 10) | December 31,<br>2017 |
|--|---------------------|-----------------------------------|--------------|------------------------|----------------------|
| Shell Place Facility construction                    | \$ 466,608          | \$ (279,447)                      | \$ -         | \$ (187,161)           | \$ -                 |
| Interest on grant received for capital projects      | 1,164,330           | (675,330)                         | (489,000)    | -                      | -                    |
| Synthetic field design and capital facility upgrades | 1,739,920           | 2,465,036                         | 489,000      | (2,163,136)            | 2,530,820            |
|  | <u>\$ 3,370,858</u> | <u>\$ 1,510,259</u>               | <u>\$ -</u>  | <u>\$ (2,350,297)</u>  | <u>\$ 2,530,820</u>  |

The Corporation reallocated nil (2017 – \$489,000) to reflect capital facility upgrades transferred as part of the MIPEX (Shell Place) project.

### 10. UNAMORTIZED DEFERRED CAPITAL CONTRIBUTIONS

|  | 2018                 | 2017                 |
|--|----------------------|----------------------|
| Balance, beginning of year   | \$ 19,846,347        | \$ 152,021,094       |
| Transfers from deferred capital contributions (Note 9)                               | 2,250,420            | 2,350,297            |
| Amounts recognized as revenue  | (3,649,303)          | (6,504,618)          |
| Transfer of MIPEX (Shell Place) funding to the Regional Municipality of Wood Buffalo | -                    | (128,020,426)        |
| Balance, end of year   | <u>\$ 18,447,464</u> | <u>\$ 19,846,347</u> |

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

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### 11. COST OF GOODS SOLD

|                            | 2018         | 2017         |
|----------------------------|--------------|--------------|
| Hospitality - Direct Costs | \$ 1,309,054 | \$ 1,478,752 |
| Events - Direct Costs      | 1,085,643    | 2,304,082    |
| Tournament Costs           | 139,014      | 80,231       |
| Sundry                     | 158,659      | 117,038      |
|                            | \$ 2,692,370 | \$ 3,980,103 |

### 12. INTERNALLY RESTRICTED – MI FUND

In 2010, the Corporation established the Mi Fund (the “Fund”) where up to 5% of funds raised through facility sponsorships will be set aside in the Fund to provide subsidized access fees to community members that will allow participation in RRC activities and other activities within the community of Wood Buffalo. The Fund will focus on ensuring that those who wish to participate in sport, recreation, leisure, culture and corporate events will be able to do so without financial barriers. The Fund is accessible through an approved application process. Where the 5% contribution is included in sponsorship agreement terms, the amounts are considered to be externally restricted. As a result, \$202,352 (2017 - \$222,493) related to the Mi Fund is included in deferred revenue.

### 13. CREDIT FACILITY

On January 6, 2014, the Corporation entered into a banking agreement that includes a revolving demand credit facility available in the amount of \$1,000,000 (2017 - \$1,000,000) which bears interest at prime less 0.5% per annum. At December 31, 2018, this facility had not been drawn upon. In addition, the Corporation has access to a \$100,000 (2017 - \$100,000) Visa business facility which is drawn upon from time to time. Accounts receivable have been pledged as security on these facilities.

### 14. CONTRACTUAL OBLIGATIONS

The Corporation had office equipment under operating leases with annual payments as follows:

|      |           |
|------|-----------|
| 2019 | \$ 45,724 |
| 2020 | 45,724    |

# REGIONAL RECREATION CORPORATION OF WOOD BUFFALO

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2018

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### 15. RELATED PARTY TRANSACTIONS

The following transactions with the Municipality and the Library Board are included within the financial statements of the Corporation:

|   | <u>2018</u>   | <u>2017</u>   |
|---|---------------|---------------|
| Regional Municipality of Wood Buffalo - Revenues    |               |               |
| Operating contributions                             | \$ 14,256,899 | \$ 14,190,331 |
| Hospitality (food and beverage)                     | 42,966        | 127,246       |
| Facility rental                                     | 26,167        | 84,268        |
| Advertising   | 24,520        | 19,788        |
| Other   | 445           | -             |
| Programs  | 180           | -             |
| Events  | 49            | -             |
| Sponsorships and donations revenue                  | -             | 4,100         |
| Regional Municipality of Wood Buffalo - Expenses    |               |               |
| Utilities   | 180,784       | 197,945       |
| Travel and Meals                                    | 14,000        | -             |
| License, fees and permits                           | 11,537        | 10,380        |
| Events and hospitality                              | 4,999         | 6,322         |
| Professional Fees                                   | 979           | -             |
| Advertising   | 560           | 770           |
| Subcontractors                                      | 260           | 220           |
| Supplies  | 43            | -             |
| Regional Municipality of Wood Buffalo Library Board |               |               |
| Service agreement revenue                           | 556,500       | 530,735       |
| Hospitality (food and beverage)                     | 5,914         | 6,125         |
| Marketing & Promotions                              | 1,928         | 450           |
| Facility and equipment rental                       | 1,616         | 1,250         |
| Other   | 1,233         | -             |
| Programs  | 135           | 281           |

These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# **REGIONAL RECREATION CORPORATION OF WOOD BUFFALO**

## **Notes to the Consolidated Financial Statements**

**For the year ended December 31, 2018**

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### **15. RELATED PARTY TRANSACTIONS (CONTINUED)**

During the year, capital contributions in the amount of \$1,531,571 (2017 - \$2,465,036) were received from the Municipality for capital upgrades. During the year, \$952,457 (2017 - \$1,168,317) was spent from prior years, and the remainder is reflected as deferred capital contributions at year-end. The Corporation entered into an amending agreement effective December 31, 2017 with the Municipality resulting in the transfer of MIPEX (Shell Place) project and associated pre-construction costs. As a result, capital contributions in the amount of \$167,785 (2017 - \$954,777) are due to the Municipality for the finalization of the construction of the Shell Place facility. During the year, \$110,824 (2017 - \$187,161) was spent on the Shell Place facility.

### **16. NON-MONETARY TRANSACTIONS**

The Corporation entered into contracts with several local organizations to provide advertising, program materials and event services in exchange for advertising, programming and sponsorship recognition in the facility. In 2018, non-monetary transactions in the consolidated statement of operations include \$204,906 (2017 - \$264,800) of cost of sales, \$1,826 (2017 - \$56,421) expenses and \$206,732 (2017 - \$321,221) of revenue.