



Local HERO Foundation

Helicopter Emergency Response Organization

Paul Spring – President
Andrea Montgomery Spring – Executive Director

December 1, 2020

Organization Mandate

- To provide 24/7 emergency helicopter services for the people of northeastern Alberta.
- Goals for 2021: Sustainability
- The grant will help fund operating expenses such as insurance, fuel, maintenance, training and night vision goggle recertifications.

HERO Coverage Map



Community Impact

- The Local HERO Foundation, in partnership with the FMFD, helps optimize health outcomes for seriously ill or critically injured patients.
- The helicopter emergency medical service provides peace of mind for residents, with 24/7 coverage and no patient cost.
- In 2019 HERO was called out over 70 times for medical emergencies, industrial incidents, recreational injuries, and motor vehicle crashes etc. This year HERO has played an essential role in 3 search and rescue missions.

2021 Grant Request

2021 Grant Request	
Revenue	\$2,305,790
Expense	\$3,528,613
Subsidy Requested	\$1,000,000
Subsidy represents 28% of total expenses (Subsidy/Expenses)	

Previous Year's Financial Information	
Last Fiscal Year End Date	Dec 31, 2019
Total expenses from previous year	\$3,943,532
Unrestricted Net Assets	(\$1,074,533)

Expense Summary

Cost Category	Total Expense	Funded by RMWB
Salary/Wages (9 full time, 7 part time)	\$1,317,200	\$0
Program Costs	\$2,092,943	\$1,000,000
Overhead (utilities, insurance, etc.)	\$118,470	\$0
TOTAL	\$3,528,613	\$1,000,000

Community Investment History

2021 Request	2020	2019
\$1,000,000	\$2,200,000	\$1,500,000

No change is being requested in 2021.

Local Helicopter Emergency Response Organization Foundation

2021 Sustaining Grant Analysis

CIP Grant Summary:

2018	2019	2020	2021 Request	2021 Recommended by CIP	Variance Recommended vs. Requested
750,000	1,500,000	2,200,000	1,000,000	1,000,000	-

Fiscal Year End	Total Expenses	Unrestricted Net Assets
December 31, 2019	3,943,532	(1,074,533)

Notes:

The recommendation for 2021 is continued funding for Local HERO Foundation in supporting salaries and other operating costs.

Budget Line Description	2021 Total Budget	2021 Grant Request	2021 Recommended
Revenues			
RMWB Sustaining Grant	1,000,000	1,000,000	1,000,000
Industry Partners	700,000	-	-
Alberta Health Services	1,000,000	-	-
United Way	200,000	-	-
Fundraising/Other Donations	405,790	-	-
Total Revenues	\$ 3,305,790	\$ 1,000,000	\$ 1,000,000
Expenses			
Staffing	1,317,200	550,000	550,000
Building	108,520	50,000	50,000
Vehicle	9,600	-	-
Helicopter Payments	1,167,500	-	-
Other Program Costs	620,569	300,000	300,000
Administration	303,430	100,000	100,000
Board Expenses	1,445	-	-
Household	350	-	-
Total Expenses	\$ 3,528,614	\$ 1,000,000	\$ 1,000,000
Total Surplus (Deficit)	\$ (222,824)	\$ -	\$ -



2021 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 meets these requirements. The Application Form, including all required attachments, must be received by the closing date.

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

- 2021 Sustaining Grant Guidelines

If you have reviewed the 2021 Sustaining Grant Guidelines and have any questions regarding this application form or eligibility, please contact CIP@rmwb.ca.

Organization Name: Local HERO (Helicopter Emergency Response Organization) Foundation

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 Friday, September 11, 2020;
- that we understand the term of the Sustaining Grant is January 1 to December 31, 2021 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:

[Signature] [Signature]

[Signature] [Signature]

[Signature] [Signature]

[Signature] [Signature]

[Signature]

Signature of Board Member
(must have signing authority)

Paul Spring
Print Name

2020-09-10

Date: (YYYY-MM-DD)

[Signature]

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

Andrea Montgomery Spring
Print Name

2020-09-10

Date: (YYYY-MM-DD)

Sustaining Grant Part A - Organization Summary

1. Organization Details

Organization Name:	Local HERO Foundation
Street Address:	1001 Saline Creek Parkway
City/Hamlet:	Fort McMurray
Province:	Alberta
Postal Code:	T9H 0H8
Email Address:	team@ymmhero.com
Act Registered Under:	Societies Act (Alberta)
Registration Number:	81810 3566 RR0001

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

2. Main Contact

Title:	Executive Director
Name:	Andrea Montgomery Spring
Daytime Phone:	s. 17(1)
Email Address:	ams@ymmhero.com

3. Executive Director

Name:	Andrea Montgomery Spring
Daytime Phone:	s. 17(1)
Email Address:	ams@ymmhero.com

4. Board Chair / President

Name:	Paul Spring
Daytime Phone:	s. 17(1)
Email Address:	p.spring@ymmhero.com

Note: Should any of the contact details in Questions 2 to 4 change before December 31, 2021, 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
		\$ 0.00

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

There are no restrictions on becoming a member.
Due to the nature of the program, the delivery of Local HERO Foundation's services requires specialized training and certifications. Opportunities are limited to volunteering for fundraising or assisting at special events.

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 agency is reviewed quarterly. Since HERO's accountant is a board member, the process is expedited; audits are completed by a different accounting firm. Applications for grants greatly increased in 2020, seeking support from a wide variety of sources for unbudgeted expenses. The flood did not disrupt service but the medevac pilots and maintenance engineers were evacuated from their accommodation near the river. Staff have been living in rental accommodations in another part of town; a return to their building is estimated to be sometime this fall, necessitating about 6 months of additional rent. The pandemic caused a major disruption in pilot/engineer travel, with inconsistent and more expensive flights. Some pilots opted to drive in order to arrive in time for their shifts, which also added costs. Fifteen hours of additional in-house training flights were necessary to maintain certifications when travel to the USA for simulator training was halted in March. HERO was fortunate to be approved for federal funds (Emergency Community Response Fund), managed through the Wood Buffalo Community Foundation, to cover the extra travel and training expenses. The cancellation of HERO's annual May fundraising event has meant a large loss of revenue. The plan is to hold this event in 2021. The Speed of Life campaign continues and a new Canada Helps campaign is effective. Activity has been stepped up on the Foundation's social media platforms, to help raise support for the service. Plans are underway to escalate the request for federal support as per the 2020 Business Plan. Refer to Part D #16.

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 Community Investment Program at CIP@rmwb.ca.

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?

2020, attached.

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

1. Maintain the 24/7 HEMS service despite the current and future risks for the team associated with operating during pandemic conditions; provide the required support and vigilance to keep the team safe and healthy.
2. Develop diversified funding sources, seek new grants, on-line fundraising opportunities, and consider social profit sector collaborations to meet the challenge of securing financial support during a time of declining economic strength in the region. Focus on attaining federal support.
3. The Foundation will build its own credit history with a financial institution to be in a position to purchase a replacement helicopter at the suitable time. The desired machine would carry more weight, be faster and capable of a longer flight before refueling. The helicopter would meet the requirements of Transport Canada for landing at the hospital helipad.

Part D - Organization Questionnaire

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

The mission of the Foundation is to promote and deliver 24/7 emergency helicopter services for the people of Northeastern Alberta. The funding request is for expenses associated with operating this life-saving service such as wages, training, helicopter payments, fuel costs, maintenance and facility expenses.

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

The Local HERO Foundation is the sole provider of 24/7 helicopter emergency medevac services in the RMWB. In conjunction with the Fort McMurray Fire Department and its paramedics, HERO1 is of potential benefit to anyone in the entire region. Having a way to rapidly reach residents that are living, working or playing in areas remote to the city ensures there is prompt access to a higher level of care. Medical aid begins upon arrival at scene, and continues until the patient is delivered to the AHS team. HERO is helping safeguard the peace of mind and health of the region's residents.

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:

The charity introduced a new donor recognition event last fall and is hoping to again safely host a group of key company and business individuals, both prior and potential donors. Besides raising community awareness and thanking current program sponsors, the goal would be to solicit new donors as well as secure multi-year commitments. As the blackout period for fundraising during the United Way campaign has been waived this year, it would also be an opportunity for some fundraising. HERO was grateful to receive \$50,000 more than previously i.e.\$300,000 from the United Way as the Community Investment Team had become better acquainted with the Foundation's purpose, outcomes and needs. Local HERO will be applying again later in 2020 but the ability of the United Way to support as many social profits as well as last year is in doubt with the restrictions imposed by pandemic precautions and the community's economic uncertainty.

According to the medevac statistics half of the flights are for patients living in Indigenous communities. To date there are still no federal monies contributing to this service, despite the responsibility for ensuring medical care. We are still working with the municipality, OSCA, provincial and federal politicians to obtain federal support for these medevacs flights. In the original tripartite agreement, OSCA was to secure support from industry members for one-third of the base, fixed costs of the program. This proved to be very difficult. The Foundation is now approaching companies independently. With economic uncertainty in the energy sector, many company pledges are now reconsidered year to year rather than written as multi-year contracts. Companies closer to the city limits are better served by the helicopter rather than ground ambulance, with the new helipad in place. This time saver is a life saver, and should encourage new supporters to contribute.

The annual Speed of Life campaign first launched at the 2018 fundraiser, when donors pledge to cover the cost of an hour of flight, will continue each year as it has been a great success. Many original donors have become ongoing supporters. The Rotary Links Golf Course ran a HERO fundraiser all season, RONA is doing a fall HERO campaign and HERO is in discussions with a local eatery and bar for a joint fundraising venture.

The search has been widely expanded for new grant opportunities. Early in 2020 new HERO fundraising campaigns were added to the CanadaHelps and Benevity online platforms. Donations are slowing down but funds are still being deposited monthly.

17. Current Volunteer Information:

	Per Organizational Needs:	Currently Filled:
Program & Service Volunteers	0	0
Fundraising Volunteers	15	15
Committee Volunteers	4	4
Administrative Volunteers	2	2
Total Organization Volunteers (Count each only once)	17	17

Part E - Financial Information, Budget Request & Cash Flow

18. Current Staff Information:

	Per Organization Chart:	Currently Filled:
Full Time Positions	9	9
Part Time Positions	8	8

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

The program continues to function well with a fractional workforce i.e. only a portion of certain mandated positions are necessary to support the service. These include maintenance engineers, the Director of Maintenance, Chief Pilot, Safety Manager, and office staff. Since the pandemic began, non-flying staff are on a reduced work schedule with cutbacks ranging between 10 and 20% of work hours. Due to the highly regulated nature of providing a HEMS program, opportunities to reduce costs are rare.

20. 2021 Grant Request:

Total 2021 Budgeted Revenue (excluding RMWB Sustaining Grant)	\$	\$ 2,305,790.00
Total 2021 Budgeted Expenses	\$	\$ 3,528,613.69
Surplus* / (Deficit)	\$	-\$ 1,222,823.69

2021 Sustaining Grant Request Amount:

\$ 1,000,000.00

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

Please Indicate Preferred Cash Flow, if approved:**

January/February April

(no more than 75% of request)

August October

** 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.

During the spring and summer of 2020, AHS was carrying out a provincial review of helicopter emergency medical services, with recommendations due in the fall. There were public surveys, an on-line presentation and virtual interviews by AHS committee members with stakeholders. There were questions on governance, finances and process. A written response was sent to the committee after the Foundation's interview and was forwarded to the Minister of Health. The possible impact to HERO from the recommendations is unknown at this time.

The charity's president is in his second year on the Helicopter Association of Canada board. It has been a challenging year for the aviation industry all across the country, with the operational dilemmas precipitated by the pandemic and the economy.

The Local HERO Foundation is a member of AIFEMA (Alberta Industrial Fire and Emergency Management Association), a collective group of emergency services departments and service providers that promotes awareness of industrial fire protection and emergency management. HERO provided support for four charitable golf tournaments this summer. There were two 'ball drops' scheduled as well as two live auction offerings for the unique opportunity of a recurrency flight ride-along. The HERO flight was so popular at one event it was agreed to offer it to the two top bidders, raising double the money for social profits. While performing scheduled training flights, HERO is able to give a boost to charitable fundraising as well as raise awareness for the Local HERO program.

Re purchase of new helicopter: The Foundation will manage this by first acquiring the current helicopter asset from Phoenix Heli-Flight, the operator of the service. Phoenix Heli-Flight would subsequently guarantee the loan for a replacement machine until the Foundation has the financial strength to carry the loan.

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 2021 revenue and expenses
- ☒ 2021 Business Plan or Strategic Plan
- ☒ Logic Model (if available)
- ☒ Financial Statements of the most recent fiscal year

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



2020 Business Plan

“To promote and deliver 24/7 emergency helicopter services for the people of Northeastern Alberta.”



Executive Summary

The Local HERO (Helicopter Emergency Response Organization) Foundation exists to promote and deliver a 24/7 emergency helicopter service for the people of Northeastern Alberta. This is achieved by expanding awareness of the service and raising funds to support the fixed and variable costs of this life-saving operation. Support for the program has grown; the impact has been demonstrated year after year, one medevac and one community disaster after another. The charity is now able to purchase the helicopter, establishing a credit history for a future medevac helicopter upgrade and enhanced service.

History

For over 20 years, helicopter medevac services in the Wood Buffalo region were provided on an ad hoc basis. Thousands of patients received an improved level of care in situations such as motor vehicle collisions, workplace injuries, medical emergencies, and recreational vehicle crashes. However, operations had always been limited to daylight hours, a minimum level of weather conditions, and availability of a crewed aircraft. In the 2000's, with the soaring population and level of activity in the region, it became clear that a higher level of service was necessary. In early 2013 the Local HERO Foundation was established and began supporting daytime-only services with a leased helicopter. Night vision goggle (NVG) operations were approved in December 2013 and in July 2014 the program took delivery of a new helicopter. Charity status was achieved during the fire in 2016. Since the 24/7 dedicated program's inception there have been over 500 calls for medevac missions and many lives saved.

Purpose

Local HERO is the sole provider of a Helicopter Emergency Medical Service (HEMS) in Northeastern Alberta. It exists to serve the residents, workers, and visitors of the Regional Municipality of Wood Buffalo, at no charge to the patient. HERO has proved to be invaluable during search and rescue situations and remains ready to assist when needed, 24/7.

Equipment

The Local HERO Foundation operates a modern Eurocopter H135 twin-engine helicopter, call sign HERO1, equipped with an advanced medical interior and NVGs. Equipment on board includes a LIFEPAK monitor/defibrillator, a suction module, and an oxygen supply. The NVGs allow the aircraft to be dispatched regardless of the time of day, especially crucial during the winter months when flyable daylight can be as little as five hours. Up to five additional stretcher-equipped helicopters are available to assist if HERO1 is on another call, off-line for scheduled maintenance or there is a mass casualty incident demanding multiple machines.

Staff

HERO1 is crewed 24 hours a day by alternating shifts of two on-site pilots; the Fort McMurray Fire Department (FMFD) provides a two-person Fire Fighter/EMT-Paramedic crew when the aircraft is dispatched following a 911 call. The Foundation employs an Executive Director while other mandated roles are filled by a fractional workforce, sharing employees of the aircraft operator.

Operations

The helicopter is kept in a ready state and can be airborne within 10 minutes or less of being dispatched. The crew wait in rest quarters next to the aircraft hangar and are dispatched by a call to their dedicated cellphone. The aircraft is immediately moved out of the hangar on a self-powered dolly; the pilots start the aircraft just prior to the FMFD crew arriving on site. HERO1 can respond to a scene call 185km away

and return to base without refuelling. For scene calls further away or to transfer a patient from scene directly to a tertiary hospital in Edmonton, HERO1 has several enroute options to refuel if required. With the completion of the Northern Lights Regional Health Centre helipad in the spring of 2019, HERO1 now lands directly at the hospital and the patient is transferred to the care of the Emergency Department staff. The helipad landing means the emergency flight is at least twenty minutes quicker than previously, when the patient had to be transferred into a waiting ambulance at HERO's base and driven to the hospital. Twenty minutes is precious time when the patient is critically ill or injured.

Spreading Awareness

Knowledge of the critical service that the Local HERO Foundation provides is conveyed to the public in many ways. Traditional methods such as radio interviews, a prominent billboard on the highway entering Fort McMurray, and print ads and magazine articles are used. The Foundation has a growing social media presence and following through Twitter and Facebook where regular updates on donations, videos, and photographs are posted. Every mission is tweeted. Direct community engagement is achieved by offering facility tours to youth groups, school classes, and other community groups when safe and appropriate. Public appearances have included the First Responders Pancake Breakfast, United Way family events and special occasion fly-bys. When the team is scheduled to fly recurrency flights, the mission has been combined with charitable golf ball 'drops' and unique ride-alongs that were auctioned off for the benefit of social profits.

Raising Funds

The Local HERO Foundation receives its principal funding from the Regional Municipality of Wood Buffalo, Alberta Health Services, and local industry. Currently these amounts are \$1M, \$1M and about \$700K. The budget has remained constant so far since the program began and intent to control costs continues. This base funding covers most of the fixed costs of the program (~\$3M) and ensures that the service is in place; additional fundraising is required to cover the variable costs associated with each flight such as fuel and parts, (~\$500K). The Foundation will seek to cover these costs through grants, fundraising events, and donations from small businesses and residents. Efforts to access federal funding have been ongoing for several years. With 50% of the patient calls coming from residents of Indigenous communities, the intent is to intensify the appeal for federal funds. While the health of Canadians is a provincial and territorial responsibility, with the Canada Health Act of 1984, today the only active national-level legislation specific to First Nations people remains the Indian Act of 1876, which gave responsibility of health and health care for First Nations to the federal government.

Projected Financials

Annual Fixed Item	Annual Cost
Helicopter	\$1,100,000
Staffing Costs	\$1,800,000
NVG and Pilot Training	\$155,000*
Hangar, Utilities, Taxes	\$280,000
Insurance	\$60,000
Total Annual Fixed	\$3,395,000

Operational Variable Item	Cost per Flight Hour
Fuel	\$380
Scheduled Inspections	\$145
Dynamic Components	\$555*
Engines	\$320*
Avionics	\$100*
Total Hourly Variable	\$1,500

Missions per Month	Mission Hours	Training Hours	Flight Hours Cost	Total Annual Cost
4	48	15	\$94,500	\$3,755,500
5	60	15	\$112,500	\$3,773,500
6	72	15	\$130,500	\$3,791,500
7	84	15	\$148,500	\$3,809,500
8	96	15	\$166,500	\$3,827,500
9	108	15	\$184,500	\$3,845,500
10	120	15	\$202,500	\$3,863,500

* Some expenses are based on the value of the US dollar and fluctuate with the foreign exchange rate.

SWOT Analysis

<p>S Strengths</p> <ul style="list-style-type: none"> •Experienced staff, knowledgeable management; supportive board, community •Well-equipped, maintained; sole provider •Excellent service relationship with FMFD •Cost effective sharing of facilities and staff; no service gaps as allows for back-up support •Reputation in the helicopter industry and in the community; safe and reliable service, best practices in place and monitored •Volunteers easily recruited when required 	<p>W Weaknesses</p> <ul style="list-style-type: none"> •Relatively young program so policies and strategies still developing; awareness and support still building •Funding model is a precedent locally, provincially and federally •Lean staffing to lower expenses; no one dedicated to communications, marketing •Revenue is periodic due to funding cycles •Vast service area for HEMS coverage •Volunteers unable to assist with service
<p>O Opportunities</p> <ul style="list-style-type: none"> •Strategic alliances, partnerships - media, industry, government, health, other providers •Strong support from local social profit sector •Use experience and reputation to expand services such as search and rescue missions •Untapped funding sources/grants •Helicopter upgrade for increased capacity in speed, distance, passenger load •Capitalize on 'customer appreciation' from patients and companies aided 	<p>T Threats</p> <ul style="list-style-type: none"> •Shift coverage risk if prolonged pilot illness, absence or vacancy; very specialized staff •Loss of current major funding partners when multi-year contracts expire •Foreign exchange- cost of payments, parts •Regulation changes-Transport Canada; AHS policies; pandemic related •Insufficient operating budget for flight costs; nowhere to cut, fundraising more difficult •Major maintenance issue (cost, time off-line)

Ongoing Goals

- Retain an experienced, cohesive, engaged team
- Monitor crew performance; deliver and receive constructive feedback
- Provide appropriate training including re-currency flights weekly if no missions in 7 days
- Recruit methodically to fill pilot vacancies that arise
- Communicate with funding partners to ensure continued support, report on outcomes
- Diversify the search for potential donors and collaborations
- Provide financial transparency in reporting to donors, government, and the public.
- Keep board involved and informed on operations, recruit strategically for future vacancy
- Steward existing volunteer relationships
- Network with both the public and industry to inform, and seek support

Short Term Goals

- Maintain 24/7 service despite the ongoing pandemic conditions and risks; provide the required support and vigilance to keep the team safe and healthy
- Plan for the next major annual fundraiser, incorporating appropriate AHS and hosting facility health guidelines; adjust plans as recommendations evolve
- Reduced work hours for all non-pilot personnel to cut operating expenses (between 10 and 20%, depending on position)
- Develop diversified funding sources; seek new grants and online fundraising opportunities; consider social profit sector collaborations
- Provide input and feedback as requested during the Alberta Health Services provincial review of HEMS
- Escalate communications with federal government officials to convey the necessity of support for Indigenous patient medevacs
- Complete the purchase process of the current helicopter from the aircraft operator

Long Term Goals

- Pursue CAMTS (Commission on Accreditation of Medical Transport Systems) accreditation of the program, in partnership with FMFD
- Acquire a new helicopter with increased capacity for passengers, speed, and distance

Local H.E.R.O. Foundation 2021 Budget Forecast		COMMENTS
OPERATING REVENUE		
Grants		
* RMWB Community Investment Program	\$1,000,000.00	Sustaining Grant
* OSCA Members	\$700,000.00	Imperial, Husky & Suncor
* Alberta Health Services	\$1,000,000.00	Grant monies included in FMFD Ground Ambulance contract
Fundraising		
* Annual Fundraiser	\$100,000.00	Planning for less attendees, in line with COVID guidelines
* Community Donations	\$60,000.00	Paypal on website, Facebook, CanadaHelps, Benevity, individual cheques/cash
* SIPEM	\$3,290.00	Strengthening Indigenous Participation in Environmental Monitoring Program
* Building Trades of Alberta	\$25,000.00	
* Pembina	\$40,000.00	
* Nuna Logistics	\$7,500.00	Final payment on multi-year agreement
* New Grant Applications	\$50,000.00	
United Way Allocation	\$200,000.00	Based on last allocation; grant will depend on success of United Way campaign
United Way Designated Donations	\$20,000.00	
Federal Funds for Indigenous Patient Flights	\$100,000.00	
TOTAL REVENUE:	\$3,305,790.00	
OPERATING EXPENDITURES		
STAFFING:		
* Salaries (incl Benefits) of Admin Staff	\$127,000.00	20% of office & Safety, 100% ED, no salary for President
* Salaries of Pilots	\$930,200.00	8 IFR Pilots (\$882,200.00), Vacation Coverage (\$48,000.00)
* Salary of Chief Pilot	\$90,000.00	Chief Pilot - shared 50% with Phoenix Heli-Flight
* Salaries of Maintenance Crew	\$115,000.00	20% of Director of Maintenance, 50% of 2 Maintenance Engineers
* Employer Benefits (CPP, UIC, WCB)		Included in Salaries line
* Supplementary Benefits	\$55,000.00	Housing allowance if local; portion of gym memberships; extra medical insurance
BUILDING:		
* Facilities Rent, Utilities, Taxes	\$107,000.00	
* Janitor/Maintenance	\$470.00	
* Insurance	\$1,050.00	1/10th of building insurance
VEHICLE (Agency owned or Leased):		
* Lease Charges	\$9,600.00	2 vehicles (1 per shift) fuel, winter tires, insurance, maintenance included
HOUSEHOLD:		
* Laundry	\$ 50.00	
* Bedding & Linen	\$200.00	
* Other	\$100.00	Incidentals
PROGRAM:		
* Helicopter Payments	\$1,167,500.00	Capital improvements included
* Insurance - Hull	\$140,625.00	Helicopter
* Insurance - Liability	\$15,000.00	Helicopter
* Insurance - Hull War	\$3,813.75	Helicopter
* Fuel for Helicopter	\$35,400.00	Cost varies with number of annual missions
* Engines	\$37,000.00	Based on 100 flight hours
* Aircraft Maintenance	\$8,241.43	
* Medical Supplies	\$1,038.51	Oxygen
* Housing	\$59,940.00	2 - two bedroom condos for day and night shifts
* Staff Development	\$12,000.00	Air Medical Transport, Helicopter.International & Helicopter Assoc of Canada
* Crew Uniforms	\$3,780.00	3 year amortization
* Maintenance Crew Training	\$15,000.00	
* Pilot Training	\$120,000.00	
* Initial Pilot Training	\$65,800.00	Provision for cost of training new pilot
* Night Vision Goggles	\$18,600.00	Maintenance for certification, 5 year amortization of purchase
* Transport Canada Check Pilot - Simulator PPC	\$6,750.00	Travel, meals, hotel and fees associated with Transport Canada Inspector
* NVG Trainer Certification Training - Annual	\$20,430.00	Train the Trainer in Waco, TX at Night Flight Concepts Inc.
* Special Event Landing Permits	\$1,400.00	Required by Transport Canada for special event landings
* Annual Fundraising Event	\$50,000.00	Expenses related to holding major fundraiser, not covered by gifts in kind
* Dues & Subscriptions	\$5,750.00	Outerlink, Advanced Safety, ForeFlight, and AIFEMA
ADMINISTRATION:		
* Office Supplies	\$200.00	
* Freight & Postage	\$600.00	
* Staff Travel/Mileage	\$70,000.00	Training and shift change airfare for pilots
* Telephone	\$1,800.00	ED & HERO phone & tablets, HERO Satellite Phone
* Advertising	\$16,000.00	Monthly billboard (\$14400), other for potential other advertising
* Professional Fees	\$33,330.00	Annual audit, legal & accounting fees, social media development
* Bank Charges	\$6,500.00	
* GST	\$175,000.00	
BOARD EXPENSES:		
* Meetings & AGM	\$400.00	
* D & O Insurance	\$1,045.00	
OTHER:		
TOTAL EXPENSES:	\$3,528,613.69	
SURPLUS/DEFICIT	(\$222,823.69)	

PROGRAM: 24/7 HELICOPTER EMERGENCY MEDICAL SERVICES (HEMS) FOR NORTHEASTERN ALBERTA

GOAL: ALL 9-1-1 MISSIONS WILL BE ACCEPTED AND FLOWN WHEN SAFE TO DO SO.

IMPACT: HEALTH AND SAFETY OF THE RESIDENTS IMPROVED; LIVES SAVED

INPUTS:

- Modern, well-equipped helicopter with medical interior capable of carrying 2 pilots, 2 paramedics and 1 patient stretcher
- Skilled staff to fly (8 medevac pilots plus Chief Pilot) and maintain the helicopter (2 aircraft engineers)
- Critically ill or injured patients in the Regional Municipality of Wood Buffalo
- The partnership with the Dispatch department personnel of FMFD, the Emergency Link Centre and their EMS supervisor(s), to identify opportunities for improved patient service
- Backup daytime helicopter and alternate pilot for missions with more than 1 patient or if HERO1 has maintenance downtime
- 2 Fort McMurray Fire Department (FMFD) paramedics per mission

- Equipment to monitor weather conditions for flight and iPad for flight planning, communicating with Dispatch
- Funding
- Fundraising event plan, budget, and committee
- Event volunteers
- Social media (Facebook page, website, Twitter account)
- Promotional materials (stickers, decals, pamphlets, flags, banners, videos, photos, billboard, magazine, radio and online ads)
- Competent administrative support
- Chief pilot, knowledgeable in standard operating procedures, capable of providing vacant shift coverage, staff training, guidance and scheduling
- Strategically recruited Board members, for governance that strengthens the organization
- President, to lead and advise
- Executive Director, working with the Board and President to build program awareness and financial support
- Director of Maintenance, familiar with helicopter and its required maintenance; to hire and supervise aircraft maintenance engineers
- Quality Assurance and Safety officer, to meet federal standards
- Contracted professional services of lawyer and accountants

- Safety pilots when single medevac pilot on shift; AHS requirement for 2 pilots
- Suitable hangar facilities and amenities for machine, maintenance, and parts storage
- Accommodations on site for night shift pilots' rest periods and day shift flight readiness
- Lodging and transportation for medevac pilots
- Office for medevac pilots, including a safe for securing night vision goggles (NVG)
- Alberta First Responders Radio Communications System (AFRRCS) for helicopter
- Dedicated medevac pilot cell and SAT phone
- Fuel and oil
- Helicopter parts (dynamic and fixed)
- Remote controlled dolly (for HERO1 to park on in hangar, to reposition HERO1 outside for takeoff/landing and return to hangar)
- Decontamination station and supplies for cleanup of equipment and machine post-mission
- Dedicated counter-top dishwasher for cleaning suction equipment
- Oxygen tanks and backups
- Lockers for pilots and medical supplies
- Flight simulator, for pilots to practice instrument flying procedures and remain prepared while conserving operational resources
- Flight suits, helmets
- Personnel protective equipment in appropriate size and supply

- Access to post-flight shower and washer/dryer if clothing contaminated during the mission or patient suspected to be infectious

ACTIVITIES- (A, B, C)

A: Mission-Ready Actions

- Life-saving missions are flown when requested by Dispatch
- Skilled pilots and aircraft maintenance engineers are hired and retained
- Helicopter is maintained according to regulations
- Pilot recurrency flights flown on both shifts if no missions in 7 days, so pilots and machine flight-ready
- Annual on-site orientation and video training for FMFD paramedics
- Outfit standby helicopter with a medical stretcher
- Standby pilot assigned for daytime when HERO1 offline or 2 patients need transportation simultaneously (same scene or different incidents)
- Safety pilots trained and assigned when single medevac pilot on shift; accompany single medevac pilot on daytime missions
- Parts and consumables (fuel, oil etc.) ordered and properly stored so adequate supply on hand
- Fuel tested regularly as per regulations to ensure no contamination
- Required equipment charging is completed as per schedule

- Pilots monitor weather conditions throughout their shift, prior to mission and during flight; communicate same to Dispatch personnel so aware of any constraints

B: Public Awareness and Support

- Program promotion: speaking at meetings, on the radio, manning booths at events, safe tours (school groups, sponsors, camps, clubs, businesses and interested individuals), create contests, optimize use of social media platforms, sharing of mock medevac video
- Collect and analyze mission statistics: when, where, airtime, night versus day, type of patient, dedicated versus standby machine, declined flights and reason
- Share activity and financial reports with public and sponsors as per agreements and requests
- Reapply for grants, seek new funding opportunities
- Promote the medevac program by arranging 'ride-alongs' for appropriate individuals; use as fundraising opportunity for HERO and other social profit agencies
- Create event committee to plan and execute major fundraiser; hire contractors as required
- Recruit, train and retain event volunteers
- Create Facebook page for annual fundraiser when date and theme organized
- Tweet and post all missions (avoiding specific site names and patient information)

- Hire expert to upgrade website
- Keep Facebook page updated when HERO news to report (donations, special events etc.)
- Design, order and share promotional materials

C: Forward Planning Activities to Sustain the Program

- Collaboration with other organizations or programs for mutual benefit e.g. SAR chapter
- Advocate with service partners regarding funding
- Ensure the continued contributions of current sponsors with communication and reports
- Send Board electronic updates and hold meetings; involve in major fundraisers
- Plan for future board vacancies, seeking interested and involved community members
- Annual training is scheduled and attended by pilots and engineers; program support personnel encouraged to pursue appropriate development opportunities when available
- Seek and offer education in support of increased cultural awareness
- Managers attend national and international conferences to ensure up-to-date with regulations; network to remain current with industry best practices and share own expertise

- Strategize for a future upgrade to an advanced helicopter for optimal community service: purchase HERO1 to acquire credit history with financial institution and increase separation from helicopter operator

OUTPUTS-

- Number of missions completed
- Number of missions declined or cancelled
- No flights completed in weather conditions below minimums
- Average time between dispatch and when pilots ready to launch
- Number of trained pilots and maintenance staff
- Time spent in training
- Number of paramedics trained
- Percentage of time fully staffed with medevac pilots
- Number of times standby helicopter required and why: maintenance, an additional patient or simultaneous mission
- Number of recurrency flights for medevac pilots
- Number of guests that do a ride-along on recurrency flights
- Amount of money raised with ride-alongs

- Number of facility tours
- How many times spoke on behalf of HERO or manned booth
- Number of times activity reports shared with stakeholders
- Number of Facebook 'shares' and 'likes'
- How many people attended annual fundraising event
- How much raised by major event
- Number of volunteers for successful event
- How many grant applications completed
- Percentage of successful grant applications
- Number of instances of collaboration
- Number of Board meetings and updates

OUTCOMES-

<u>Immediate:</u>	<u>Mid-Term:</u>	<u>Long Term:</u>
Public support community.	Known to be the community's helicopter medevac provider. Good relationship and trust.	Productive, safe, healthy

Mission ready

Saving lives by saving time.

Families have more time with loved ones, patients able to keep living their lives. Public feels safer, less anxious about living, working and playing in areas remote to the city.

Adequate funding arrangements support.

Stability, longevity for the program and the staff when sustainability funding achieved.

Community members become ambassadors, share success stories, raise additional awareness and

INDICATORS OF SUCCESS-

- Always available for emergency medical flights
- Financial sustainability; elimination of legacy debt
- Social media reach and growing public support
- Long-term retention of satisfied staff

- Strong, supportive board
- Positive feedback from major sponsors and program partners

DATA SOURCES-

- Pilot flight reports and log books
- Transport Canada and the Canadian Aviation Regulations and Standards documents
- FMFD Management and Dispatch staff
- AHS Emergency Link Centre and On-line Physicians
- Company data base (CIRRO) of mission information
- Social media and the analytics tools
- Records of Chief Pilot and Director of Maintenance
- Standard Operating Procedures manual
- Company policy manual
- Auditors (Safety, Financial)
- Fundraiser event records
- Staff
- Board
- Patient testimonials
- Inspector reports

- Company's Digital Action Tracking System (DATS)

METHODS-

- Analysis of flight statistics
- Staff and stakeholder interviews
- Follow-up calls or emails to sponsors
- Financial audit
- External inspections

**Local Helicopter Emergency
Response Organization Foundation**
Financial Statements
December 31, 2019

Local Helicopter Emergency Response Organization Foundation

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INDEPENDENT AUDITOR'S REPORT

To the Members of Local Helicopter Emergency Response Organization Foundation:

Opinion

We have audited the financial statements of Local Helicopter Emergency Response Organization Foundation, which comprise the statement of financial position as at December 31, 2019, and the statements of change in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Local Helicopter Emergency Response Organization Foundation as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

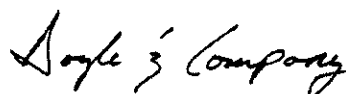
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta
March 23, 2020



Chartered Professional Accountants

Local Helicopter Emergency Response Organization Foundation

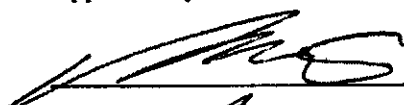
Statement of Financial Position

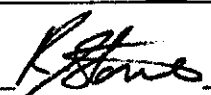
As at December 31, 2019

	2019	2018
	\$	\$
Assets		
Current		
Cash	20,589	20,833
Accounts receivable	123,952	508,589
Goods and Services Taxes (GST) receivable	91,368	169,245
Prepaid expenses	-	434
	235,909	699,101
Liabilities		
Current		
Accounts payable	870	9,257
Advances from Phoenix Heli-Flight Inc. (Note 6)	1,309,572	1,668,086
	1,310,442	1,677,343
Net Deficit		
Unrestricted	(1,074,533)	(978,242)
	235,909	699,101

Commitments - see note 7

Approved by the Board of Directors:





The accompanying notes form part of these financial statements.

**Local Helicopter Emergency
Response Organization Foundation**

Statement of Change in Net Assets

For the year ended December 31, 2019

	2019	2018
	\$	\$
<u>Unrestricted</u>		
Balance, beginning of year	(978,242)	(1,441,874)
Excess (Shortfall) of revenue over expenditures	(96,291)	463,632
Balance, end of year	(1,074,533)	(978,242)

The accompanying notes form part of these financial statements.

Local Helicopter Emergency Response Organization Foundation

Statement of Operations

For the year ended December 31, 2019

	2019 Budget (Unaudited) \$	2019 Actual \$	2018 Actual \$
Revenue			
Corporate contributions	150,000	798,250	1,206,000
Donations	10,000	98,562	279,503
Fee for service	15,000	-	25,984
Fundraising	338,000	299,148	198,357
Government funding (Note 3)	3,100,000	2,651,196	2,499,996
Other revenue	-	85	7,513
	3,613,000	3,847,241	4,217,353
Expenditures			
Advertising	18,695	19,565	25,250
Bank charges and interest	6,650	1,673	7,357
Fundraising	250,000	267,225	164,701
GST expense	-	-	87,747
Insurance	2,000	1,900	1,445
Meetings	700	-	-
Memberships	-	708	1,050
Office	50,480	37,004	53,687
Professional fees	33,330	9,478	11,437
Subcontractors	3,454,185	3,605,979	3,401,047
	3,816,040	3,943,532	3,753,721
Excess (Shortfall) of Revenue over Expenditures	(203,040)	(96,291)	463,632

The accompanying notes form part of these financial statements.

**Local Helicopter Emergency
Response Organization Foundation**

Statement of Cash Flow

For the year ended December 31, 2019

	2019 \$	2018 \$
Operating Activities		
Cash received from funding agencies and other income	4,231,878	3,490,812
Cash paid to vendors and suppliers	(4,309,999)	(3,569,418)
	(78,121)	(78,606)
Financing Activities		
Decrease in advances from Phoenix Heli-Flight Inc.	77,877	87,455
Increase (decrease) in Cash During the Year	(244)	8,849
CASH - Beginning of year	20,833	11,984
CASH - End of year	20,589	20,833

The accompanying notes form part of these financial statements.

Local Helicopter Emergency Response Organization Foundation

Notes to the Financial Statements

December 31, 2019

Nature of the Organization

Local Helicopter Emergency Response Organization Foundation was incorporated under the Alberta Societies Act September 23, 2013 and was registered as a charity effective June 9, 2016. The organization provides medivac response services. The Foundation is a registered charitable organization and is tax exempt under the Income Tax Act of Canada.

1. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

(a) Cash

Cash consist of cash on deposit at a Canadian financial institution.

(b) Revenue Recognition

Local Helicopter Emergency Response Organization Foundation follows the deferral method of accounting for revenue. Restricted revenues are recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grant and requisitions are included in the revenue in the year in which they are received or receivable.

Cash donations are recognized as revenue in the year received.

Donations and contributions in-kind are recorded at fair value when such value can reasonably determined.

(c) Income Taxes

Local Helicopter Emergency Response Organization Foundation is a registered charitable organization under the Income Tax Act of Canada and therefore is not subject to either federal or provincial income taxes.

(d) Volunteer Services

Local Helicopter Emergency Response Organization Foundation receives a lot of volunteer services through out the year. The organization does not record the value of the volunteer services unless the fair value can be reasonably estimated. These services are received gratuitously; therefore, no value has been included in these financial statements as the fair value is not determinable.

Local Helicopter Emergency Response Organization Foundation

Notes to the Financial Statements

December 31, 2019

1. Significant Accounting Policies (Continued)

(e) Financial Instruments

(i) Measurement of financial instruments

Local Helicopter Emergency Response Organization Foundation initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

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

Financial assets measured at amortized cost include cash, accounts receivables, and goods and services tax (GST) receivable.

Financial liabilities measured at amortized cost include accounts payable and advances from Phoenix Heli-Flight Inc..

(ii) Impairment

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

2. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

3. Economic Dependence

Local Helicopter Emergency Response Organization Foundation received a \$1,500,000 (2018 - \$1,500,000) grant from the Regional Municipality of Wood Buffalo and contract revenue of \$999,996 (2018 - \$999,996) which is 67% (2018 - 62%) of the gross revenues received in the current year.

4. Continuing Operations

These financial statements have been prepared on the going concern basis which assumes the realization of assets and payments of liabilities in the normal course of business. The application of the going concern concept is dependent on the organization's ability to generate future profitable operations and on the continued financial support from its donors, funder, and ability to provide services..

Local Helicopter Emergency Response Organization Foundation

Notes to the Financial Statements

December 31, 2019

5. Financial Instruments and Concentration of Risk

The financial instruments of Local Helicopter Emergency Response Organization Foundation consist of cash, accounts receivables, GST receivable, accounts payable, and advances from Phoenix Heli-Flight Inc. The fair value of the financial instrument approximates the carrying value, unless otherwise noted.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. Local Helicopter Emergency Response Organization Foundation is exposed to interest rate risk on bank account balances and any of its fixed and/or floating interest rate financial instruments.

Liquidity Risk

Liquidity risk is the risk that Local Helicopter Emergency Response Organization Foundation will encounter difficulty in meeting its obligations associated with financial liabilities. Local Helicopter Emergency Response Organization Foundation manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

6. Related Party Transactions

Related parties of the organization are considered to be board members of the Local Helicopter Emergency Response Organization Foundation who have a direct impact on the daily operations of the organization.

During the year Local Helicopter Emergency Response Organization Foundation paid Phoenix Heli-Flight Inc. \$3,378,438 (2018 - \$3,234,576) for the fixed monthly standby fee and \$226,954 (2018 - \$165,432) for the variable contract fees for fuel and maintenance.

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

7. Commitments

Local Helicopter Emergency Response Organization Foundation is committed to make monthly payments of \$274,670 (2018 - \$269,548) plus GST and annual fuel and maintenance costs plus GST to Phoenix Heli-Flight Inc. A new service agreement was signed with a term of January 1, 2019 to December 31, 2022. On January 1, 2023 this agreement will automatically renew for an additional term of one (1) year and will continue to automatically renew on the 1st day of each new year. Automatic renewal of this agreement may be cancelled upon providing written notice of termination to the service provider 90 days prior to the automatic renewal date.

8. Budget Figures

The budget figures have not been audited and are for presentation purposes only.

9. Comparative Figures

Certain comparative figures have been restated to conform to the presentation used in the current year.