



INFORMATION BULLETIN 19-02

October 24, 2019

Board of Directors Nominations Committee Report and 2019 Annual General Meeting Update

Hockey Alberta is hosting its Annual General Meeting (AGM) and Hockey Conference on Friday, November 22 and Saturday, November 23 in Red Deer. Each Minor Hockey Association and Club Team should attend the AGM and bring the appropriate delegates to participate in the Saturday morning sessions.

It is important for Executive Members of member Minor Hockey Associations and Junior/Senior Club Teams to attend the AGM to exercise your right to vote in the election. It is also important for registered Accredited Schools, Sledge Hockey programs, Recreational Hockey programs and sanctioned leagues to attend the AGM to participate in discussions with the membership about the future of the game.

[AGM REGISTRATION >](#)

NOMINATIONS COMMITTEE REPORT

Further to the Hockey Alberta Recruitment Notice (Information Bulletin 18-15), below is a listing of the individuals that have filed a proper nomination application with, and have been recommended by, the Nominations Committee. These names will be brought forward for election to the Board at the 2019 Hockey Alberta Annual General Meeting on Saturday, November 23.

Hockey Alberta's Board of Director positions are elected by the members of Hockey Alberta at the AGM. There are two (2) positions to be elected at this year's AGM and each successful nominee is elected to serve a term of three (3) years.

Nominee for Chair

Len Samletzki

Hometown

St. Albert

Nominee for Vice Chair

Allan Mowbray

Hometown

Calgary

Included with this Bulletin is a brief questionnaire completed by each nominee. A short video of each nominee has also been prepared and the videos can be accessed at the following link:

<https://www.hockeyalberta.ca/members/annual-general-meeting/2019-board-candidates/>

Per Hockey Alberta Bylaw 5.2, further nominations may be submitted up to fourteen (14) days prior to the AGM. The nomination form and individual questionnaire is enclosed with this Bulletin. Nominations must be submitted to the Nominations Committee Chair, via the Hockey Alberta office, and must be emailed to kpapke@hockeyalberta.ca. The deadline for Nominations is November 9, 2019.



INFORMATION BULLETIN 19-02

October 24, 2019

After the Nomination deadline has passed a final Information Bulletin containing the names of all nominees will be distributed. All nominees will be given the opportunity to address the membership during the AGM on November 23.

For questions to the Nominations Committee, please contact:

Rob Virgil,
Nominations Committee Chair
rvirgil@hockeyalberta.ca

FINANCIAL OVERVIEW

Hockey Alberta is committed to providing its Members with accurate and current information for review prior to the Annual General Meeting. To this end, attached to this Bulletin is a summary of Hockey Alberta's annual audited financial statements. These documents will be reviewed and any questions answered as part of the annual general meeting.

VOTING

Please note that Member Dues for the 2019-2020 season and any overdue accounts must be paid in full for Members to be eligible to vote at the Annual General Meeting. Please refer to Article 4, 4.6 (b) of the Hockey Alberta Bylaws and Regulations for information about voting privileges/procedures.

Enclosed with this Bulletin is the **2019 Annual General Meeting Credential Form**. Please ensure your MHA / Club Team President has completed this form identifying your voting delegate prior to the Annual General Meeting.

Questions about voting or status of accounts, and completed Credential forms can be submitted via email:

Allison Marriott
Coordinator, Member Services
amarriott@hockeyalberta.ca

SCHEDULE OF EVENTS

The input of our membership and registered programs is extremely important. Friday evening features a keynote presentation, trade show and networking social. Saturday opens with a series of President Meetings where delegates will be engaged in discussions such as association boundaries, body checking in Bantam and Midget, and leading change within amateur hockey. The Annual General Meeting portion of the weekend will take place on Saturday afternoon.



INFORMATION BULLETIN 19-02

October 24, 2019

Hockey Alberta has partnered with the **Best Western Hotel** (403-346-3555) and the **Cambridge Red Deer Hotel** (403-346-2091) to provide the best possible rates for accommodations. Please book your accommodations as soon as possible to access these rates. If you are booking by phone, please indicate you are with the **Hockey Alberta Annual General Meeting**.

Full details about the 2019 Hockey Conference and AGM, can be found online at <http://www.hockeyalberta.ca/members/annual-general-meeting>.

FRIDAY	
CAMBRIDGE HOTEL (3310-50 AVE.)	
5:00 – 6:30 PM	DELEGATE CHECK-IN
7:00 – 7:30 PM	OPENING REMARKS
7:30 – 9:00 PM	KEYNOTE ADDRESS: LEADING CHANGE – MATT SYMES, SYMPPLICITY DESIGNS
9:00 – MIDNIGHT	BFL TRADE SHOW & RECEPTION
SATURDAY	
RDC - CENOVUS LEARNING COMMON (100 COLLEGE BLVD.)	
8:30 – 10:00 AM	WORKSHOP: LEADING CHANGE – MATT SYMES, SYMPPLICITY DESIGNS
10:00 – 10:30 AM	BREAK
10:30 AM – NOON	PRESENTATION: COMPLAINT HANDLING & POLICY DEVELOPMENT – STEVE INDIG, SPORT & LAW STRATEGY GROUP
12:00 PM – 1:00 PM	LUNCH
12:30 – 1:30 PM	AGM VOTER CHECK-IN
2:00 PM – 5:00 PM	ANNUAL GENERAL MEETING – ELECTIONS, NOTICES OF MOTION, FINANCIAL REPORT

For any questions, please contact:

Michelle Skilnick,
Manager, Member Services
mskilnick@hockeyalberta.ca

Allison Marriott,
Coordinator, Member Services
amarriott@hockeyalberta.ca



Board Nominee Questionnaire - Len Samletzki (St. Albert)

Provide a brief history of your hockey involvement:

- Hockey Alberta Board of Directors: 2010 to present: Chief Financial Officer (3 years), Director of Finance (6 years)
- Hockey Alberta Governance Committee
- Chair, Hockey Alberta's Audit and Risk Committee
- Player: over 50 years as a player in the game of hockey
- Assistant Coach: St. Albert Minor Hockey Association

Provide a history of your involvement in other professional or volunteer positions that will help you excel in this position:

Board of Director Experience:

- Hockey Alberta (2010 - present) Board of Directors (Chief Financial Officer/Director of Finance). Chair of the Audit and Risk Committee and Governance Committee Member.
- Chartered Professional Accountants of Alberta (2013 - 2016) Board of Directors and Audit and Risk Committee member. Unification of the three accounting designations in 2015. Professional organization representing more than 28,000 Chartered Professional Accountants (CPA) in Alberta.
- Association for Financial Professionals of Canada – Edmonton (2008 - 2014) Board of Directors (Past President, President, and Vice President). Association for treasury and financial professionals in the Edmonton region since 1982.

Operational experience (volunteer) in sports organizations:

- Head Coach, Assistant Coach and Volunteer (numerous roles): St. Albert Minor Hockey Association, St. Albert Ringette Association, and Fastball St. Albert.

What skills, attributes and experiences would you bring to the Hockey Alberta Board, if elected:

Competencies:

- Governance: experience with Board governance in private and not for profit Boards (15 years).
- Business/Management: over 30 years of experience in private/not for profit organizations. Over 20 years of senior management experience.
- Human Resources: leading HR teams in employee engagement, succession planning, compensation, benefits, and professional development.
- Accounting/Financial: over 25 years' experience as a Chartered Professional Accountant.
- Risk Management: Extensive experience of enterprise risk management for private and not for profit organizations.

Skills/attributes:

- Leadership/teamwork: over 20 years of experience in senior leadership positions and 15 years as a Director for three different Boards.
- Strategic planning: extensive experience in teaching and leading strategic planning for private and not for profit organizations.
- Critical thinking/problem solving skills: over 20 years' experience in senior roles (telecommunications, power, electricity and water generation, not for profit, and oil and gas).



Board Nominee Questionnaire - Len Samletzki (St. Albert)

On what do you believe the Hockey Alberta Board should focus in the next three years:

- Alignment of our organizations (members, Hockey Alberta, Hockey Canada). Continue to build a share vision.
- Grow our game – continue to implement programs to increase participation for players new to hockey, Focus on players at each age group and skill level. Continued development of coaches, referees and volunteers.
- Support for the organization to become more agile. The world is changing and we need to ensure we are able to respond to changes in the game and the competitive landscape.
- Recognition of our past builders in hockey in Alberta.



Board Nominee Questionnaire - Allan Mowbray (Calgary)

Provide a brief history of your hockey involvement:

- Hockey Alberta Board of Directors since September 2017
- President Calgary Buffaloes Hockey Association 2013 - 2017
- VP Finance Calgary Buffaloes Hockey Association 2010 - 2013
- Son played in the WHL and is currently with the York Lions
- Played hockey my whole life

Provide a history of your involvement in other professional or volunteer positions that will help you excel in this position:

- Senior financial executive and VP Finance of a public oil and gas company
- Member of Financial Executives International since 2013

What skills, attributes and experiences would you bring to the Hockey Alberta Board, if elected:

- Strong governance and finance background working with Boards of both public and private enterprises for most of my career.

On what do you believe the Hockey Alberta Board should focus in the next three years:

- Defining our membership and then working to align them so that the entire organization is focused on achieving the long-term vision of Hockey Alberta.
- Working with the Board and Hockey Alberta leadership to change Hockey Alberta from a slow-moving Provincial Sport Organization to an agile enterprise that is able to respond to changes to its environment and compete.
- Grow the game – Hockey is a phenomenal sport that offers people who participate in it as players, coaches, trainers or support staff the opportunity in a team-oriented environment to develop life-long skills that will benefit them for life. I want to ensure we offer everyone who would like to be involved the chance without barriers.



Nominations Form

All applicants that wish to become a member of the Hockey Alberta Board must have a nomination from a Hockey Alberta Member. Membership of Hockey Alberta is defined in Article 2 of Hockey Alberta Bylaws and Regulations.

I nominate the following person for the position of Chair or Vice Chair for the Hockey Alberta Board. This Nomination will stand for the 2019 Hockey Alberta Annual Meeting only.

Nominee Information

Name of Nominee:

Position (choose 1):

Chair

Vice Chair

Nominee Signature:

Date:

Nominator Information

Name of Nominator:

Name of Member (i.e. Association or Club Team):

Position held with Member:

Nominator Signature:

Date:



Credentials Summary Form

Please complete the following information and submit to Hockey Alberta. This information (as submitted) will be distributed to the Hockey Alberta Members for their review.

Name:

City:

Phone (Mobile):

Phone (Home):

Email Address:

Provide a brief history of your hockey involvement:



Provide a history of involvement in other professional or volunteer positions that you believe would help you excel in this position:



What skills, attributes, experiences would you bring to the Hockey Alberta Board if elected?



What is it that you believe is important for the Hockey Alberta Board to focus on in the next three years?



2019 ANNUAL GENERAL MEETING CREDENTIAL FORM

This "Credential Form" is required to be completed by all Hockey Alberta member Minor Hockey Associations and Club Teams that wish to exercise their right to vote at the Annual General Meeting. Under the authority of the President of the Association / Club Team, the form asks the member to identify their voting delegate.

Submitting this completed form to the Hockey Alberta office prior to the Annual General Meeting will assist your association / club team in being pre-registered for the meeting. The completed form can be submitted to amarriott@hockeyalberta.ca.

Please refer to Article 4 of the Hockey Alberta Bylaws for information about voting eligibility.

Bylaw 4.6 - Right to Vote at Member's Meetings

- (a) Subject to subsection 4.6 (b), at each General Meeting or Special Meeting, each Member Team shall have one vote and each Local Minor Hockey Association shall have one vote for each Hockey Team registered with Hockey Alberta in the Midget Division, to a maximum of twenty-five (25) votes; provided that, if a Local Minor Hockey Association has not registered a Hockey Team in the Midget Division, but has registered with Hockey Alberta a Hockey Team in any one (1) of the Initiation, Novice, Atom, Peewee and Bantam Divisions, that Local Minor Hockey Association shall have one (1) vote;
- (b) In order for a Member to qualify for voting privileges at a General Meeting or Special Meeting, the Member must:
- (i) have had a Hockey Team(s) registered with Hockey Alberta in the year immediately preceding the said meeting which were involved in active competition;
 - (ii) pay the required annual dues payable for the forthcoming year if the meeting is an Annual Meeting;
 - (iii) have appointed a Member's Representative and established the authority of the Member's Representative to represent the Member to the satisfaction of the Board; and
 - (iv) be otherwise in good standing with the Board.

ASSOCIATION/CLUB: _____

DIVISION: Minor Junior Senior
 ACAC USport

VOTING DELEGATE NAME: _____

The individual named above is hereby appointed as the accredited delegate of this organization with the power to carry the weighted vote of the association at the Annual General Meeting of Hockey Alberta.

PRESIDENT: _____

SIGNATURE: _____

ALBERTA AMATEUR HOCKEY ASSOCIATION



Independent Auditor's Report and Financial
Statements
July 31, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Members of Alberta Amateur Hockey Association

Opinion

We have audited the financial statements of Alberta Amateur Hockey Association (the "Association"), which comprise the statement of financial position as at July 31, 2019, and the statement of operation and changes in fund balances and the statement of 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 the Association as at July 31, 2019, and its results of 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 Association 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.

Other Matter

The financial statements of the Association for the year ended July 31, 2018 were audited by another auditor who expressed a qualified opinion on November 24, 2018. The basis for the qualification was on the completeness of sponsorship revenue. The auditor was unable to determine if any adjustments might be necessary to sponsorship revenue, excess of revenue over expenses, and fund balances.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

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

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INDEPENDENT AUDITOR'S REPORT

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 Association'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 Association'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 Association 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.

RSM Alberta LLP

Red Deer County, Alberta
October 21, 2019

RSM ALBERTA LLP
Chartered Professional Accountants

ALBERTA AMATEUR HOCKEY ASSOCIATION

Contents
July 31, 2019

Financial Statements	Page
Statement of Financial Position	1
Statement of Operations and Changes in Fund Balances	2
Schedule of General Fund Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 16

ALBERTA AMATEUR HOCKEY ASSOCIATION

Statement of Financial Position

As at July 31, 2019

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents (note 4)	\$ 2,039,393	\$ 2,282,690
Short-term investment (note 5)	527,309	522,951
Accounts receivable (note 6)	577,167	287,610
Goods and Services Tax receivable	42,455	19,485
Due from Hockey Alberta Foundation (note 7)	20,000	20,000
Inventories	22,551	2,602
Prepaid expenses	48,377	46,870
	<u>3,277,252</u>	<u>3,182,208</u>
Cash and cash equivalents (note 4)	-	250,000
Due from Hockey Alberta Foundation (note 7)	51,310	72,074
Capital assets (note 8)	<u>169,397</u>	<u>193,469</u>
	<u>\$ 3,497,959</u>	<u>\$ 3,697,751</u>
LIABILITIES		
Current liabilities		
Accounts payable and accruals	\$ 688,470	\$ 488,543
Goods and Services Tax payable (note 9)	378,347	-
Unexpended designated funds (note 10)	<u>388,693</u>	<u>652,049</u>
	<u>1,455,510</u>	<u>1,140,592</u>
Commitments (note 12)		
FUND BALANCES	<u>2,042,449</u>	<u>2,557,159</u>
	<u>\$ 3,497,959</u>	<u>\$ 3,697,751</u>

Approved by the board:

_____ Chief Executive Officer

_____ Director, Finance

See accompanying notes

ALBERTA AMATEUR HOCKEY ASSOCIATION

Statement of Operations and Changes in Fund Balances

Year ended July 31, 2019

	General fund	Strategic Priority Fund	Facility Fund	Technology Fund	Donation Fund	Invested In Capital Assets	2019	2018
Revenue								
General (page 3)	6,404,944	-	-	-	-	-	6,404,944	7,226,752
Donation on behalf of Alberta Hockey Foundation	-	-	-	-	185,000	-	185,000	115,000
Facility assessment levy	-	-	182,036	-	-	-	182,036	122,467
Hockey Canada branch support	-	132,422	-	-	-	-	132,422	85,141
CAHA Participants Legacy Trust Fund	-	91,652	-	-	-	-	91,652	121,731
Technology fee	-	-	-	91,018	-	-	91,018	90,716
Amortized of deferred capital contribution	-	-	-	-	-	-	-	16,253
	6,404,944	224,074	182,036	91,018	185,000	-	7,087,072	7,778,060
Expenses								
General (page 3)	6,841,277	-	-	-	-	-	6,841,277	7,052,269
Red Deer College Facility	-	375,000	-	-	-	-	375,000	-
Facility expense	-	-	153,762	-	-	-	153,762	129,449
Approved initiatives	-	109,626	-	-	-	-	109,626	24,982
Amortization	-	-	-	-	-	49,421	49,421	43,665
Every Kid Every Community grant disbursement	-	-	-	-	42,045	-	42,045	54,100
Future Leaders program	-	-	-	-	25,421	-	25,421	15,239
Technology expense	-	-	-	5,230	-	-	5,230	9,050
Loss on disposal of capital assets	-	-	-	-	-	-	-	52,693
	6,841,277	484,626	153,762	5,230	67,466	49,421	7,601,782	7,381,447
Excess (deficiency) of revenue over expenses	(436,333)	(260,552)	28,274	85,788	117,534	(49,421)	(514,710)	396,613
Approved transfers between funds	91,018	-	-	(91,018)	-	-	-	-
Capital purchases	(190,811)	-	-	-	-	190,811	-	-
	(536,126)	(260,552)	28,274	(5,230)	117,534	141,390	(514,710)	396,613
Fund balances, Beginning of year	\$ 833,858	\$ 1,175,363	\$ 49,328	\$ 374,942	\$ 95,661	\$ 28,007	\$ 2,557,159	\$ 2,160,546
Fund balances, end of year	\$ 297,732	\$ 914,811	\$ 77,602	\$ 369,712	\$ 213,195	\$ 169,397	\$ 2,042,449	\$ 2,557,159

See accompanying notes

ALBERTA AMATEUR HOCKEY ASSOCIATION

Schedule of General Fund Operations

Year ended July 31, 2019

	2019 Budget (unaudited)	2019 Actual	2018 Actual
Revenue			
Participant fees	\$ 2,068,078	\$ 1,942,614	\$ 1,572,615
Team Alberta programming	970,089	939,588	902,548
Coach education and development	840,500	889,001	766,444
Officiating	557,920	523,589	108,425
Alberta Sport Connection (note 11)	287,819	487,766	326,779
Non-program related	167,981	468,867	520,631
Regional centre programming	455,000	450,181	377,783
Game operations	208,750	275,159	290,820
Sponsorship	350,000	266,367	224,853
Meetings, programs, events and committees	50,000	53,312	171,135
Other grants and dues	106,550	108,500	114,175
	<u>6,062,687</u>	<u>6,404,944</u>	<u>5,376,208</u>
Expenses			
Salaries and related benefits	2,200,000	2,315,382	2,105,907
Non-program related (note 13)	901,250	1,234,892	800,766
Team Alberta programming	992,145	943,084	832,946
Coach education and development	602,800	619,763	582,567
Officiating	649,200	500,489	146,382
Regional centre programming	404,000	324,359	320,071
Meetings, programs, events and committees	416,600	298,202	307,257
Game operations	100,400	113,532	87,028
Other	10,000	38,227	18,801
	<u>6,276,395</u>	<u>6,387,930</u>	<u>5,201,725</u>
Excess (deficiency) of revenue over expenses before following item	(213,708)	17,014	174,483
Goods and services tax assessment (note 9)	<u>-</u>	<u>453,347</u>	<u>-</u>
Excess (deficiency) of revenue over expenses	<u>\$ (213,708)</u>	<u>\$ (436,333)</u>	<u>\$ 174,483</u>

See accompanying notes

ALBERTA AMATEUR HOCKEY ASSOCIATION

Statement of Cash Flows

Year ended July 31, 2019

	2019	2018
CASH PROVIDED BY (USED FOR)		
Operating activities		
Cash receipts from registrations, events, government, and other	\$ 8,803,298	\$ 7,849,810
Cash paid to suppliers and employees	(8,977,549)	(7,318,007)
Interest received	10,436	4,108
Bank and credit card charges	(155,077)	(101,708)
	<u>(318,892)</u>	<u>434,203</u>
Investing activities		
Repayment from Hockey Alberta Foundation- net	20,764	27,736
Purchase of capital assets	(190,811)	(11,524)
Proceeds on sale of capital assets	-	10,000
Purchase of short-term investment	(4,358)	(522,951)
	<u>(174,405)</u>	<u>(496,739)</u>
Increase (decrease) in cash and cash equivalents	(493,297)	(62,536)
Cash and cash equivalents, beginning of year	<u>2,532,690</u>	<u>2,595,226</u>
Cash and cash equivalents, end of year	<u>\$ 2,039,393</u>	<u>\$ 2,532,690</u>
Cash and cash equivalents consists of:		
Cash and cash equivalents	\$ 2,039,393	\$ 2,282,690
Long-term cash and cash equivalents	-	250,000
	<u>\$ 2,039,393</u>	<u>\$ 2,532,690</u>

Excluded from the statement of cash flows is \$61,865 (2018 - \$33,943) that relates to sponsorship received in kind.

Included in the purchase of capital assets is \$165,462 that were acquired in the prior year and paid for in the current year.

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

1. Nature of Operations

Alberta Amateur Hockey Association (the "Association") is registered under the Societies Act of Alberta and is the governing authority of amateur hockey in Alberta. Alberta Amateur Hockey Association is responsible for the registration, administration, and development of players, officials, coaches, and volunteers. The Association operates under the name Hockey Alberta.

The Association is exempt from income tax under Section 149 of the Income Tax Act.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Significant areas requiring the use of estimates include: allowance for doubtful accounts and estimated useful lives of capital assets. Actual results may differ from management's best estimates as additional information becomes available in the future.

Cash and cash equivalents

Cash and cash equivalents include cash on deposit and investments with a maturity term of 3 months or less at acquisition.

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

2. Significant Accounting Policies, continued

Funds

The General Fund encompasses all operations and development functions. It records the registration, insurance, and administrative functions of the Association, as well as grant revenue, registration, fees, and sales of the Association for the purpose of developing hockey players, coaches, and referees in Alberta. Activities not specifically included in any other fund are recorded in the General Fund.

The Strategic Priority Fund records World Junior proceeds for specific projects, future revenue sharing amounts from Hockey Canada international events, CAHA Legacy Trust Fund income, Branch Support Pillar income, and revenue associated with specific projects.

The Facility Fund records assessments, donations, and other contributions for the acquisition, expansion, and enhancement of future capital facilities.

The Technology Fund records assessments, donations, and other contributions for the acquisition, expansion, and enhancement of technology facilities and e-learning platforms.

The Donation fund records funds that are provided by the Hockey Alberta Foundation through Alberta Sport Connection for initiatives related to growing the game and developing leaders within the game.

Invested in Capital Assets represents the net contributions for capital assets.

Inventories

Inventories consist of supplies to be consumed in the rendering of services and are valued at the lower of cost or replacement cost. Replacement cost is determined by the most recent invoice price.

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

2. Significant Accounting Policies, continued

Capital assets

Capital assets are recorded at cost. Capital grants are deferred and amortized to revenue at the same rate as the amortization of the capital asset acquired with the funds. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is recorded by the Association at rates determined to amortize the cost of the assets over their useful lives as follows:

Furniture and fixtures	20%	Declining balance
Website	5 year	Straight-line
Computer equipment	20%	Declining balance

Leasehold improvements are amortized straight-line over the term of the lease plus one renewal period.

Full year amortization is calculated in the year of acquisition. No amortization is calculated in the year of disposition.

Financial instruments

The Association measures its financial instruments initially at fair value and subsequently measures them at amortized cost, except for cash and cash equivalents and short-term investments, which are subsequently measured at fair value.

Contributed materials and services

Contributions of donated materials or services are not recognized in the financial statements unless the fair value can be reasonably determined, the materials or service are used in the normal course of operations and the materials or services would otherwise have been purchased.

Unexpended designated funds

Unexpended designated funds are represented by deferred revenue and deferred contributions. The deferred revenue will be recognized when services are provided. Deferred contributions are recognized when restrictions on the use of the contribution are met.

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

2. Significant Accounting Policies, continued

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Operating grants and sponsorships are recognized as revenue when conditions of the grant and sponsorship have been satisfied. Use of the government grants received by the General Fund are subject to the guidelines for the promotion of amateur hockey in Alberta through education, leadership, and development programs as outlined by the Government of Alberta's Department of Tourism, Parks and Recreation, and Alberta's Sport Connection.

Participant and program fees are recognized as revenue of the General Fund when the events and programs are held.

Interest income is recognized as revenue in the General Fund as it is earned.

World Junior Fund contributions are recognized as revenue in the Strategic Priority Fund when conditions of the memorandum of understanding are satisfied. These are subject to the guidelines for a provincial training centre and for new programming and initiatives as outlined by Hockey Canada and the 2012 IIHF World Junior Hockey Championship Host Committee.

Hockey Canada branch support and CAHA Participants Legacy Trust Fund are recognized as revenue of the Strategic Priority Fund as they are earned.

Facility assessment levy is recognized as revenue of the Facility Fund as it is earned.

Technology fee is recognized as revenue of the Technology Fund as it is earned.

Donations received on behalf of Hockey Alberta Foundation are recognized as revenue of the Donation Fund as they are received and collection is reasonable assured.

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

3. Financial Instruments

The Association's financial instruments consist of cash and cash equivalents, short term investment, accounts receivable, due from Hockey Alberta Foundation and accounts payable and accruals. It is management's opinion that the Association is not exposed to significant interest, currency, market, liquidity, or credit risks arising from these financial instruments except as follows:

Credit risk

The Association is exposed to credit risk as it grants credits to its members in the normal course of business. To mitigate this risk the Association regularly reviews its accounts receivable list and, based on knowledge of the members, will stop granting credit to or stop providing services to members who have not made their payments.

Interest rate risk

The Association is exposed to interest rate risk as short-term investment bears interest at a fixed interest rate.

4. Cash and Cash Equivalents

Included in cash is \$166,474 (2018 - \$445,488) of cash received subject to the restrictions in note 10, excluding program fees.

Certain cash was classified as long-term in the prior year.

5. Short-term Investment

Short term investment consists of a guaranteed investment certificate, earning interest at 2.15%, and maturing April 2020.

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

6. Accounts Receivable

	<u>2019</u>	<u>2018</u>
Alberta Sport Connection	\$ 385,000	\$ -
Membership	134,478	111,045
Other	30,858	15,006
Program	20,234	89,526
Hockey Alberta Foundation	4,332	52,033
Sponsorship	2,265	20,000
	<u>\$ 577,167</u>	<u>\$ 287,610</u>

7. Due from Hockey Alberta Foundation

The Hockey Alberta Foundation (the Foundation) is a not-for-profit entity in which the Association has an economic interest whose vision is to improve the quality of life for Albertans' through Hockey. As part of this relationship, the association provides staff and administrative resources to the foundation and in return the foundation provides an annual management fee (note 14) and funding through the Alberta Sport Connection Donation fund for growth and development initiatives for the association.

The balance due from Hockey Alberta Foundation represents reimbursements for services provided in past years, and does not include any charges from the current fiscal year (see note 6 for current receivables). Amounts are unsecured, non-interest bearing and payable in annual instalments of \$20,000.

	<u>2019</u>	<u>2018</u>
Total due from Hockey Alberta Foundation	\$ 71,310	\$ 92,074
Current portion	<u>20,000</u>	<u>20,000</u>
Long-term portion	<u>\$ 51,310</u>	<u>\$ 72,074</u>

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

8. Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net</u>	<u>2018 Net</u>
Furniture and fixtures	\$ 164,418	\$ 33,940	\$ 130,478	\$ 163,097
Computer equipment	24,704	5,728	18,976	11,585
Leasehold improvements	13,212	1,321	11,891	-
Website	53,678	45,626	8,052	18,787
	<u>\$ 256,012</u>	<u>\$ 86,615</u>	<u>\$ 169,397</u>	<u>\$ 193,469</u>

9. Goods and Services Tax

The Association was subject to a goods and services tax audit and received an assessment which resulted in an amount owing of \$453,347. Hockey Alberta, after consultation with its advisors, filed a Notice of Objection with respect to the assessment received by the Canadian Revenue Agency as a result of the audit. The outcome of the objection is undeterminable at this time.

To reduce interest charges on the assessment, the Association has entered into a payment plan of \$37,500 per month with the Canada Revenue Agency. If the Association is successful in objecting to the assessment, these funds will be recoverable.

If the objection is unsuccessful, it is estimated the Association will have a further liability for the 2019 year-end of \$205,000 and a liability for the 2020 fiscal year.

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

10. Unexpended Designated Funds

	Balance at July 31, 2018	Funds received	Funds recognized as revenue	Balance at July 31, 2019
2012 World Juniors funds received to help finance a provincial training centre, support new programming and initiatives through the six regional centres over the next three seasons, and to support the Every Kid Every Community program.	\$ 250,895	\$ -	\$ (214,600)	\$ 36,295
Amounts received from Alberta Sport Connection (note 11)	102,551	646,025	(672,766)	75,810
Amounts received for programs and camps to be held in the upcoming summer and fall.	206,564	222,219	(206,564)	222,219
Hockey Canada branch support funds received to be used in the 2019-2020 hockey season	77,039	37,352	(77,039)	37,352
Amounts received for Fort McMurray Hockey Association from Alberta Sport	15,000	-	-	15,000
Other	-	2,017	-	2,017
	<u>\$ 652,049</u>	<u>\$ 907,613</u>	<u>\$(1,170,969)</u>	<u>\$ 388,693</u>

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

11. Alberta Sport Connection Grant

	Balance in Unexpended Designated funds at beginning of year	Funds received	Funds recognized in revenue	Balance in Unexpended Designated funds at year end
Association Development program	\$ 50,751	\$ 204,325	\$ (204,766)	\$ 50,310
Team Training & Selection- Canada Winter Games	36,800	19,700	(46,000)	10,500
Provincial Coach Development Grant	15,000	30,000	(30,000)	15,000
Donation	<u>-</u>	<u>207,000</u>	<u>(207,000)</u>	<u>-</u>
	102,551	461,025	(487,766)	75,810
Donation on behalf of Hockey Alberta Foundation	<u>-</u>	<u>185,000</u>	<u>(185,000)</u>	<u>-</u>
	<u>\$ 102,551</u>	<u>\$ 646,025</u>	<u>\$ (672,766)</u>	<u>\$ 75,810</u>

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

12. Commitments

The Association has entered into a business premise lease expiring June 2028. The annual lease payments including operating expenses are as follows:

2020	\$ 159,704
2021	161,241
2022	169,827
2023	171,458
2024	180,141
Subsequent years	<u>749,889</u>
	<u>\$ 1,592,260</u>

The Association has entered into two vehicle leases expiring in December 2020. The leases require total annual payments of \$16,108.

The Association has entered into a computer equipment and support lease expiring May 2020. The leases require total annual payments of \$85,416.

The Association has also signed a memorandum of understanding with Red Deer College. This memorandum commits the Association to donate a total of \$1,500,000 over five years to Red Deer College. Of this total, \$750,000 has already been paid. The remaining scheduled donations, subject to certain terms and conditions, will be made as follows:

Immediately following acceptance and signing of Service Agreement	\$ 500,000
June 2020	<u>250,000</u>
	<u>\$ 750,000</u>

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

13. Non-program Related Expense

Non-program related expense consists of the following:

	2019 Budget	2019 (Actual)	2018 (Actual)
Donations	\$ -	\$ 325,000	\$ -
Bank and credit card charges	85,000	155,077	101,708
Office	140,700	149,448	145,063
Communication	162,000	144,147	81,470
Information technology maintenance	120,000	138,774	125,900
Human resources	131,350	106,920	92,948
Marketing	143,600	85,298	102,514
Miscellaneous	33,600	56,559	47,635
Goods and Service tax	35,000	39,854	31,871
Professional fees	50,000	33,815	71,657
	<u>\$ 901,250</u>	<u>\$ 1,234,892</u>	<u>\$ 800,766</u>

Included in donations is \$200,000 paid to Hockey Calgary and \$125,000 paid for the Red Deer College Facility. Funds were received from Alberta Sport Connection to facilitate these donations.

14. Related Party Transactions

During the year, the Association charged Hockey Alberta Foundation \$50,000 (2018 - \$50,000) for management fees which is included in other grants and dues. Included in accounts receivable at year-end was \$4,332 (2018 - \$52,033) due from Hockey Alberta Foundation.

During the year, the Association paid for items on behalf of Hockey Alberta Foundation, which were subsequently reimbursed by the Foundation. Included in accounts payable at year-end is \$3,800 (2018 - \$3,487) due to Hockey Alberta Foundation.

During the year, Directors received certain expense reimbursements in accordance with the normal policies and procedures of the Association. There were \$9,000 (2018 - \$8,000) of honorariums paid to board members.

The Hockey Alberta Foundation is subject to significant influence from the Association.

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

ALBERTA AMATEUR HOCKEY ASSOCIATION

Notes to the Financial Statements

July 31, 2019

15. Hockey Canada Assessment

During the year, the Association collected insurance and assessment fees, totaling \$2,333,756 (2018 - \$1,861,977) on behalf of Hockey Canada.

16. Comparative Figures

The presentation of certain accounts of the previous year have been reclassified to conform with the current year's presentation.



FINANCIAL STATEMENTS

ADDITIONAL INFORMATION PERTAINING TO NOTE 9

During the 2019 fiscal year Hockey Alberta underwent a GST audit by the Canada Revenue Agency (CRA) for the 2017 and 2018 fiscal periods. The audit resulted in a reassessment and an amount owing for the two years totaling approximately \$450,000.

The GST amount payable is recorded in the July 31, 2019 Financial Statements, and disclosed in more detail in Note 9 (page 11).

The CRA identified the following two items where Hockey Alberta has not charged GST in the notice of reassessment:

- annual insurance premiums that Hockey Alberta collects on behalf of Hockey Canada and
- participant fees collected from members.

GST was not charged on these two items based on the results of a 2005 CRA audit, which concluded these items were GST exempt. Following consultation with its advisors and Hockey Canada and based on the 2005 audit and GST legislation, Hockey Alberta filed a Notice of Objection regarding the reassessment with the CRA in August 2019.

Hockey Alberta has a payment plan in place with CRA to pay the reassessment avoiding interest and late penalties. If the Notice of Objection is successful, the funds paid to CRA will be refunded.

If Hockey Alberta is unsuccessful in its challenge of the CRA ruling it will be required to collect fees to cover GST amounts outstanding from its members for periods not reassessed and implement GST on these items go forward.

Any questions pertaining to this matter can be directed to:

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