

Medicine Hat Minor Hockey – Financial Summary Report

Current Year Results

During 2016-2017, Medicine Hat Minor Hockey incurred a large deficit. Since we had built up a reserve over the previous few years and with the state of the local economy last year, we decreased fees across the board \$30 per player. We were budgeting for a deficit of \$25,000 but ended up with a deficit of \$78,000. We ended up contributing to some special events that were not budgeted for and also increased player and coach development spending as we felt the reserve was a bit high given the annual operating budget that we work under each year. However, one of our major sources of revenue, sponsorship and donations, was well below expected targets, which is the #1 reason for the larger deficit this year. As a result, our reserve has decreased from approximately \$290,000 to \$207,000. This is 25% of our annual expense budget therefore we do not want to reduce our surplus much more than this.

Turning our attention to the Financial Summary spreadsheet, I would like to discuss a number of areas where there was more than minimal difference from the budgeting done at the beginning of the year.

The main differences I would like to point out include:

Registration – Overall registration numbers increased during the year from 919 to 984.

Therefore, even though we decreased fees, registration revenue was up. This was great to see as our main goal is to have as many kids playing this great game as possible.

- **Sponsorship** – As discussed, this is what hurt us the most this year. We were \$60,000 below budget. The staff worked hard to try and come up with other ideas to generate money such as the Black & Blue Fundraiser but couldn't come to close to making up the difference
- **Donation Expenses** – We gave \$15,000 to the MH College Foundation to start a scholarship in the Wickenheiser name. Also we paid \$10,000 (normally charges \$20,000) for Hailey Wickenheiser to come down and speak as part of our initiative to grow girls hockey in Medicine Hat.
- **Player development and coach development:** This is where we want to be spending money. We were approx. \$20,000 over budget in these areas. Extra money was spent this year to increase the in person mentoring in the P3 program. We brought back power skating into team practices for the entire year. In addition, the Coaches Edge was expanded to Atom and Peewee City League and spent money on coach practice tools.
- **Ice:** With the increase in registration numbers, this meant higher ice costs than were budgeted for. Ice costs will be increasing 37% from the current level over the next two years. There will be a 20% increase next year.

Next Year

The Association used up a good chunk of its reserve that was built up over the previous few years as intended. However, we now need to ensure that the reserve does not continue to decline at a rapid

rate. The increased ice costs will add \$64,000 to the expense budget next year alone. If the reduced sponsorship and donation support continues, that remaining reserve will disappear pretty quickly. Therefore, we are currently analysing costs by division in anticipation for setting fees for the upcoming season. Looking for sponsorship dollars will be a major focus early this year. If we can increase sponsorship back up to previous levels, we are hoping to phase in the increased ice costs over a number of years. Unfortunately, with such a large ice cost increase, some of this will need to be passed onto the members. The more we have for sponsorship, the more can be subsidized.

As there are a number of other reports remaining to be presented please hold your questions for the end of the meeting and I will address them at that point. Thank you.