

**viaSport British Columbia
Society**

Financial Statements
March 31, 2019



Independent auditor's report

To the Directors of viaSport British Columbia Society

Report on the audit of the financial statements

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of viaSport British Columbia Society (the Organization) as at March 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.

What we have audited

The Organization's financial statements comprise:

- the balance sheet as at March 31, 2019;
- the statement of operations and fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 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 the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

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.

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Vancouver, British Columbia
July 31, 2019

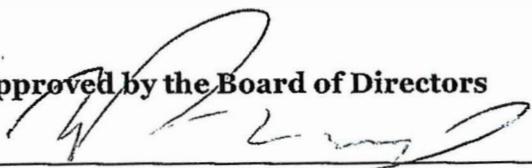
viaSport British Columbia Society

Balance Sheet

As at March 31, 2019

| | 2019 \$ | 2018 \$ |
|--|------------------|------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 1,363,210 | 1,518,210 |
| Accounts receivable (note 3) | 61,843 | 192,334 |
| Prepaid expenses and deposits | 36,432 | 36,886 |
| Other assets | 280 | 280 |
| | <u>1,461,765</u> | <u>1,747,710</u> |
| Property and equipment | <u>15,359</u> | <u>46,153</u> |
| | <u>1,477,124</u> | <u>1,793,863</u> |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | <u>170,792</u> | <u>311,573</u> |
| Fund Balances | | |
| Operations | 711,147 | 490,533 |
| Capital | 15,359 | 46,154 |
| Restricted | | |
| Funded initiatives | <u>579,826</u> | <u>945,603</u> |
| | <u>1,306,332</u> | <u>1,482,290</u> |
| | <u>1,477,124</u> | <u>1,793,863</u> |
| Commitments (note 7) | | |

Approved by the Board of Directors



Director



Director

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

viaSport British Columbia Society

Statement of Operations and Fund Balances

For the year ended March 31, 2019

| | 2019 | | | 2018 | |
|---|--------------------------|------------------|-----------------|-------------------|-------------------|
| | Funded initiatives \$ | Operations \$ | Capital \$ | Total \$ | Total \$ |
| Revenue | | | | | |
| Provincial government funding | 14,024,050 | 1,841,950 | - | 15,866,000 | 16,006,000 |
| Contributions in kind | - | 95,815 | - | 95,815 | 100,000 |
| Events | - | 88,439 | - | 88,439 | 204,905 |
| Private sector funding | 41,500 | 41,000 | - | 82,500 | 54,655 |
| Interest income | - | 62,823 | - | 62,823 | 28,683 |
| Strategic partnerships | 32,800 | - | - | 32,800 | 120,000 |
| Other income | - | 7,960 | - | 7,960 | 10,819 |
| | 14,098,350 | 2,137,987 | - | 16,236,337 | 16,525,062 |
| Expenses | | | | | |
| Grants | 14,085,071 | 63,650 | - | 14,148,721 | 13,913,117 |
| Salaries and benefits | 85,619 | 942,029 | - | 1,027,648 | 1,151,451 |
| Program development and marketing | 236,671 | 209,116 | - | 445,787 | 214,107 |
| General and administration | 14,825 | 310,295 | 30,795 | 355,915 | 355,033 |
| Facilities | - | 153,419 | - | 153,419 | 136,895 |
| Grants in kind | - | 95,815 | - | 95,815 | 100,000 |
| Travel | 29,594 | 46,131 | - | 75,725 | 84,784 |
| Telephone and technology | 1,268 | 74,345 | - | 75,613 | 116,543 |
| Legal and audit | - | 21,126 | - | 21,126 | 27,500 |
| Other | 893 | 7,243 | - | 8,136 | 14,688 |
| Staff and volunteer | - | 4,390 | - | 4,390 | 4,852 |
| | 14,453,941 | 1,927,559 | 30,795 | 16,412,295 | 16,118,970 |
| (Deficiency) excess of revenue over expenses | (355,591) | 210,428 | (30,795) | (175,958) | 406,092 |
| Fund balance – Beginning of year | 945,603 | 490,533 | 46,154 | 1,482,290 | 1,076,198 |
| Interfund transfers (note 6) | (10,186) | 10,186 | - | - | - |
| Fund balance – End of year | 579,826 | 711,147 | 15,359 | 1,306,332 | 1,482,290 |

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

viaSport British Columbia Society

Statement of Cash Flows

For the year ended March 31, 2019

| | 2019 \$ | 2018 \$ |
|---|------------------|------------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| (Deficiency) excess revenue over expenses for the year | (175,958) | 406,092 |
| Item not affecting cash – amortization | 30,795 | 92,567 |
| | <u>(145,163)</u> | <u>498,659</u> |
| Changes in non-cash working capital items | | |
| Accounts receivable | 130,491 | (48,781) |
| Prepaid expenses and deposits | 454 | (21,420) |
| Accounts payable and accrued liabilities | (140,782) | 185,412 |
| | <u>(9,837)</u> | <u>115,211</u> |
| | (155,000) | 613,870 |
| Cash flows from investing activities | | |
| Cash spent on property and equipment | - | (17,613) |
| (Decrease) increase in cash and cash equivalents | (155,000) | 596,257 |
| Cash and cash equivalents – Beginning of year | 1,518,210 | 921,953 |
| Cash and cash equivalents – End of year | <u>1,363,210</u> | <u>1,518,210</u> |

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

viaSport British Columbia Society

Notes to Financial Statements

March 31, 2019

1 Organization

viaSport British Columbia Society (the Society) is a not-for-profit organization incorporated on January 24, 2011 under the British Columbia Society Act.

The Society commenced operations on November 1, 2011 and a number of website assets and programs were transferred from 2010 Legacies Now Society at that time. These assets are now fully amortized as of March 31, 2019.

The Society administers sport-related grant programs funded by the Province of British Columbia (BC) that encourage sport participation and healthy living, develop high-performance athletes and improve delivery of sport and recreation programs. The Society also creates and implements cross-sector strategies that optimize sport programming and development, connects participants to resources and increases opportunities for participation in sport and physical activity. The Society's mission is to lead a united sport sector in a culture of achievement, making sport and physical activity relevant for all British Columbians at every age and skill level by providing opportunity and access to play, train, compete, succeed and live an active, healthy life.

For the fiscal year, the Society paid total remuneration, inclusive of salaries and benefits of \$572,949 to the five highest remunerated employees and independent contractors for services, each of whom received total remuneration of \$75,000 or greater. No remuneration was paid to any members of the Board of Directors. This disclosure is provided in accordance with the requirements of the BC's Societies Act.

2 Significant accounting policies

Basis of presentation

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The Society's administrative activities, contributions and program expenses other than those allocated to the program funds (funded initiatives) are assigned to the operations fund. Contributions that are designated by the contributors for use in particular areas of the Society's mandate are reflected in the appropriate program fund.

Investments in property and equipment and websites are recorded in the capital fund.

From the total government revenue provided to viaSport, 88% is allocated to the restricted fund for grants and 12% is for viaSport operations.

viaSport British Columbia Society

Notes to Financial Statements

March 31, 2019

Revenue recognition

Contributions to program funds (funded initiatives) and contributions to the operations fund (where there are no restrictions by the contributor) are recognized as revenue at the earlier of the time the funds are received and the time a contributor enters into a contract with the Society to provide funding, provided the amount of the funding is known and the collectability is reasonably assured. Revenue receivable under a contract is recognized when the contract is entered into regardless of the date the payments are to be made or the program period to which the funding relates.

Investment income is recognized as revenue when earned.

Contributions in kind

Contributions in kind for goods and services are recognized only when fair value can be reasonably estimated and when the goods and services are used in the normal course of the Society's operations and would otherwise have been purchased.

Grants

The Society recognizes a grant expense at the time it contracts to provide that grant. The grantee may be required to comply with certain administrative, reporting and other requirements prior to receiving all of the contracted funds.

Cash and cash equivalents

Cash and cash equivalents may consist of cash on hand as well as term deposits and guaranteed investment certificates redeemable at any time with nominal interest or penalties to the Society. For this fiscal year, it comprises cash on hand and demand deposit.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. Amortization, which is recorded in the capital fund, is provided using the following annual rates and methods:

| | |
|------------------------|--|
| Furniture and fixtures | 5 years straight-line |
| Computer hardware | 3 years straight-line |
| Computer software | 3 years straight-line |
| Telephone equipment | 5 years straight-line |
| Leasehold improvements | straight-line over the term of the lease |

Amortization is provided at one-half the usual rate in the year of acquisition.

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Notes to Financial Statements

March 31, 2019

Website development costs

Website costs are generally not capitalized and normally expensed. An entirely new website, or the addition of significant new functionality, which involved various stages of development are capitalized and recorded at cost, less accumulated amortization. Amortization is calculated over a three-year life using the straight-line method, with one-half the usual rate in the year of acquisition.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial instruments

Society's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The financial instruments are initially measured at fair value and subsequently carried at amortized cost.

Taxes

The Society is a tax exempt organization as described in the Income Tax Act and, as such, is exempt from federal and provincial income taxes.

3 Due from affiliate

Included in accounts receivable is \$17,956 due from an affiliated charitable foundation to The Society. This foundation is affiliated due to common ownership and the amounts owing relate to the costs of establishing the foundation paid by The Society. This will be repaid once the foundation is fully operational.

4 Trust assets and obligations

Since August 27, 2014, the Society is the Trustor administering funds at no charge for the Aboriginal Youth Sports Legacy Fund (Legacy Fund). \$600,000 is held in an endowed trust with the West Vancouver Foundation in respect of the Legacy Fund. As at March 31, 2019, the total Legacy Fund was \$698,298 (2018 – \$719,109) and earned a gross investment return of \$33,533 in 2019, in contrast with the 2018 investment loss of \$9,617. The Society will continue to administer the granting out of these funds and the distribution of income earned on the endowment fund.

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Notes to Financial Statements

March 31, 2019

The Society is the Trustor administering funds at no charge for the Coaches BC Legacy Fund (CBCL Fund) and Coaches Association of BC Fund (CABC Fund), both administered by the Vancouver Foundation for coaching development in BC. As at March 31, 2019, the CBCL Fund holds an endowment of \$119,419 (2018 - \$117,441) with a distributable amount of \$21,445 (2018 - \$16,948). As at March 31, 2019, the CABC Fund holds an endowment of \$212,072 (2018 - \$208,558) with a distributable amount of \$35,912 (2018 - \$27,925). Both of these funds are not recorded in the financial statements and are administered externally. The interest earned on these funds can only be accessed through a charitable institution.

5 Risk management

a) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Society is not exposed to significant currency risk.

b) Interest rate risk

Interest rate risk is the risk that the Society's investments will change in fair value due to future fluctuations in market interest rates. The Society is not exposed to significant interest rate risk.

c) Market and other price risk

Market and other price risk is the risk that the fair value of an investment will fluctuate due to changes in market conditions. Fair value risk is the potential for loss from an adverse movement in the value of a financial instrument. The Society is not exposed to significant market risk.

d) Credit risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. The Society's accounts receivable are due primarily from government organizations and reputable organizations. The Society does not consider these balances to pose a significant credit risk.

e) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its financial obligations as they fall due. The Society's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flows to fund operations and settle liabilities when due.

There have been no significant changes in risk exposure from the prior period.

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Notes to Financial Statements

March 31, 2019

6 Interfund transfers

| | | | | 2019 |
|--|--------------------------|------------------|---------------|-------------|
| | Funded initiatives \$ | Operations \$ | Capital \$ | Total \$ |
| Transfer from Funded initiatives to Operations | (10,186) | 10,186 | - | - |

| | | | | 2018 |
|-------------------------------------|--------------------------|------------------|---------------|-------------|
| | Funded initiatives \$ | Operations \$ | Capital \$ | Total \$ |
| Transfer from operations to capital | - | (17,613) | 17,613 | - |

For 2019, all expenditures within the funded initiatives must be made in support of funded initiatives as specified in the shared cost agreement. Remaining monies in the funded initiatives are restricted for a specific purpose by the grantor. The transfer from Funded initiatives to Operations represents net savings from fully completed projects due to efficient management of the program funds. Likewise, the contributor did not require return of the residual dollars. For 2018, the transfer from operations to capital is to cover additions to property and equipment.

7 Commitments

On November 22, 2018, the Society agreed to an extension of lease for five years, commencing on May 1, 2019 and expiring on April 30, 2024. In addition to the annual operating expenses, the Society is committed to the following base rent payments under the operating lease:

| | \$ |
|------------------------|--------|
| April 2019 | 7,111 |
| May 2019 to April 2020 | 84,874 |
| May 2020 to April 2021 | 86,539 |
| May 2021 to April 2022 | 96,222 |
| May 2022 to April 2023 | 98,037 |
| May 2023 to April 2024 | 99,853 |