

viaSport British Columbia Society

Financial Statements
March 31, 2020



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 Society) as at March 31, 2020 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 Society's financial statements comprise:

- the balance sheet as at March 31, 2020;
 - 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.
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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 Society 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.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806



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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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 29, 2020

viaSport British Columbia Society

Balance Sheet

As at March 31, 2020

	2020 \$	2019 \$
Assets		
Current assets		
Cash and cash equivalents	1,844,012	1,363,210
Accounts receivable (note 3)	401,960	61,843
Prepaid expenses and deposits	38,967	36,432
Other assets	280	280
	<u>2,285,219</u>	<u>1,461,765</u>
Property and equipment	<u>6,009</u>	<u>15,359</u>
	<u>2,291,228</u>	<u>1,477,124</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	<u>453,550</u>	<u>170,792</u>
Fund Balances		
Funded initiatives (note 7)	1,026,442	579,826
Operations (note 7)	805,227	711,147
Board designated funding		
Operating reserve	500,000	
Safe sport reserve	125,000	
Strategic initiatives reserve	180,227	
Invested in capital and intangible assets	<u>6,009</u>	<u>15,359</u>
	<u>1,837,678</u>	<u>1,306,332</u>
	<u>2,291,228</u>	<u>1,477,124</u>
Commitments (note 8)		

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, 2020

				2020	2019
	Funded initiatives \$	Operations \$	Capital \$	Total \$	Total \$
Revenues					
Provincial government funding	13,984,050	1,841,950	-	15,826,000	15,866,000
Federal government funding	131,250	-	-	131,250	-
Private sector funding	35,000	31,000	-	66,000	82,500
Events	-	115,726	-	115,726	88,439
Interest income	-	98,365	-	98,365	62,823
Contributions in kind	-	85,414	-	85,414	95,815
Strategic partnerships	50,000	32,500	-	82,500	32,800
Other income	-	6,632	-	6,632	7,960
	14,200,300	2,211,587	-	16,411,887	16,236,337
Expenses					
Grants	13,517,935	56,813	-	13,574,748	14,148,721
Salaries and benefits	6,876	1,113,828	-	1,120,704	1,027,648
Program development and marketing	196,117	247,002	-	443,119	445,787
General and administration	13,723	269,183	15,359	298,265	355,915
Facilities	-	155,273	-	155,273	153,419
Telephone and technology	-	106,385	-	106,385	95,815
Grants in kind	-	85,414	-	85,414	75,725
Travel	18,652	43,449	-	62,101	75,613
Legal and audit	-	21,000	-	21,000	21,126
Other	5	12,525	-	12,530	8,136
Staff and volunteer	-	1,002	-	1,002	4,390
	13,753,308	2,111,874	15,359	15,880,541	16,412,295
Excess (deficiency) of revenues over expenses	446,992	99,713	(15,359)	531,346	(175,958)
Fund balance – Beginning of year	579,826	711,147	15,359	1,306,332	1,482,290
Interfund transfers (note 6)	(376)	(5,633)	6,009	-	-
Fund balance – End of year	1,026,442	805,227	6,009	1,837,678	1,306,332

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, 2020

	2020 \$	2019 \$
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenues over expenses for the year	531,346	(175,958)
Item not affecting cash – amortization	15,359	30,795
	<hr/>	<hr/>
	546,705	(145,163)
Changes in non-cash working capital items		
Accounts receivable	(340,117)	130,491
Prepaid expenses and deposits	(2,535)	454
Accounts payable and accrued liabilities	282,758	(140,782)
	<hr/>	<hr/>
	(59,894)	(9,837)
	<hr/>	<hr/>
	486,811	(155,000)
Investing activities		
Acquisitions of property and equipment	(6,009)	-
	<hr/>	<hr/>
Increase (decrease) in cash and cash equivalents	480,802	(155,000)
Cash and cash equivalents – Beginning of year	1,363,210	1,518,210
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Cash and cash equivalents – End of year	1,844,012	1,363,210
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The accompanying notes are an integral part of these financial statements.

viaSport British Columbia Society

Notes to Financial Statements

March 31, 2020

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 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 \$723,973 to the six highest remunerated employees and one independent contractor for services, each of whom received total remuneration of \$75,000 or greater. No remuneration is paid to any members of the Board of Directors. This disclosure is provided in accordance with the requirements of the BC's Societies Act.

In March 2020, the World Health Organization declared a global pandemic due to the disease known as COVID-19 for which the impacts are expected to be far reaching. The measures put in place such as cancellation and postponement of sports events are having multiple impacts on provincial, multi-sectoral and disabled sports organization in BC. The Society, as part of the sports community, is aware and monitoring changes for sports operations. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Society in future periods. The Society is dependent upon the ongoing receipt of provincial funding to ensure the continuance of its program. At the date of this report, management has no reason to believe that this funding will not continue.

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 externally restricted program funds (funded initiatives) are assigned to the operations fund. The operations fund includes board designated funds, as approved by the Board, with the intention they are used at the Board's discretion. Contributions 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.

viaSport British Columbia Society

Notes to Financial Statements

March 31, 2020

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

Revenue recognition

Contributions to program funds (funded initiatives) and 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, however, 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

The Society recognizes contributions in kind, for goods and services only when the 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 have been purchased otherwise.

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, 2020

Website development costs

Website costs generally are 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 \$46,017 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. Repayment is made once the foundation is 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, 2020, the total Legacy Fund was \$612,436 (2019 – 698,298) reflecting an investment loss of \$44,995 in 2020, in contrast with the 2019 investment return earned of \$33,533. 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

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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, 2020, the CBCL Fund holds an endowment of \$108,657 (2019 – \$119,419) with a distributable amount of \$26,099 (2019 – \$21,445). As at March 31, 2020, the CABC Fund holds an endowment of \$192,959 (2019 – \$212,072) with a distributable amount of \$44,176 (2019 – \$35,912). Both of these funds are not recorded in the financial statements and are administered externally. The interest earned on these funds is accessible only 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, 2020

6 Interfund transfers

				2020
	Funded initiatives \$	Operations \$	Capital \$	Total \$
Transfer from Funded Initiatives to Operations	(376)	376	-	-
Transfer from Operations to Capital	-	(6,009)	6,009	-
	(376)	(5,633)	6,009	-

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

All expenditures within the funded initiatives are in support of programs as specified in a shared cost agreement with the provincial government and agreements with other grantors. Remaining monies in the funded initiatives are restricted for a specific purpose by the grantor. During the current year, the \$376 transfer from funded initiatives to operations represents net savings from a fully completed project due to efficient management of the program funds (2019 - \$10,186). The contributor did not require return of the residual dollars. The \$6,009 transfer from operations to capital is to cover additions to equipment.

7 Fund balances

Funded initiatives are primarily government-designated funds towards specific sport programming and includes \$250,000 restricted towards Safe sport reserve.

In 2020, the Board of Directors designated the following funds for specific purposes:

- a) Operating reserve (\$500,000) – for use in the event of emergencies to sustain financial operations in the unforeseen event of unbudgeted increases in operating expenses and/or declines in operating revenues.
- b) Safe sport reserve (\$125,000) – Society’s share in cost in promoting the Safe Sport Program in the province. The reserve is intended to fund safe sport investigations and investments in said program to support the provincial government’s \$250,000 noted above.
- c) Strategic initiatives reserve (target \$185,000) – to accumulate resources to support the Society’s future strategic priorities. For the fiscal year, \$180,227 was designated towards the strategic initiatives reserve.

viaSport British Columbia Society

Notes to Financial Statements

March 31, 2020

8 Commitments

The Society is committed to the following base rent payments in addition to operating expenses under the office operating lease:

	\$
April 2020	7,716
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

Signatures