

# **viaSport British Columbia Society**

Financial Statements  
**March 31, 2021**



## Independent auditor's report

To the Directors of viaSport British Columbia Society

### Report on the audit of the financial statements

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#### 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, 2021 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, 2021;
- 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 significant accounting policies and other explanatory information.

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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.

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## **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.

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## **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.

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## 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 28, 2021

# viaSport British Columbia Society

## Balance Sheet

As at March 31, 2021

|  | 2021<br>\$        | 2020<br>\$       |
|--|-------------------|------------------|
| <b>Assets</b>                            |                   |                  |
| <b>Current assets</b>                    |                   |                  |
| Cash and cash equivalents                | 4,177,715         | 1,844,012        |
| Accounts receivable (note 3)             | 15,599,537        | 401,960          |
| Prepaid expenses and deposits            | 48,517            | 38,967           |
| Other assets                             | 280               | 280              |
|  | <u>19,826,049</u> | <u>2,285,219</u> |
| <b>Property and equipment</b>            | <u>4,006</u>      | <u>6,009</u>     |
|  | <u>19,830,055</u> | <u>2,291,228</u> |
| <b>Liabilities</b>                       |                   |                  |
| <b>Current liabilities</b>               |                   |                  |
| Accounts payable and accrued liabilities | <u>300,867</u>    | <u>453,550</u>   |
| <b>Fund Balances</b>                     |                   |                  |
| <b>Restricted fund</b> (note 7(a))       | 18,423,968        | 1,026,442        |
| <b>Operations fund</b>                   |                   |                  |
| Board Designated Reserves (note 7(b)):   |                   |                  |
| Operating reserve                        | 500,000           | 500,000          |
| Safe Sport reserve                       | 125,000           | 125,000          |
| Strategic Initiatives reserve            | 226,214           | 180,227          |
| Undesignated fund (note 7(c))            | 250,000           | -                |
| <b>Capital fund</b>                      | <u>4,006</u>      | <u>6,009</u>     |
|  | <u>19,529,188</u> | <u>1,837,678</u> |
|  | <u>19,830,055</u> | <u>2,291,228</u> |
| <b>Commitments</b> (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, 2021

|   |                       |                       |                    | 2021              | 2020              |
|---|-----------------------|-----------------------|--------------------|-------------------|-------------------|
|   | Restricted fund<br>\$ | Operations fund<br>\$ | Capital fund<br>\$ | Total<br>\$       | Total<br>\$       |
| <b>Revenue</b>                          |                       |                       |                    |                   |                   |
| Provincial government funding           | 35,717,550            | 2,141,950             | -                  | 37,859,500        | 15,826,000        |
| Federal government funding              | 6,125                 | -                     | -                  | 6,125             | 131,250           |
| Private sector funding                  | -                     | 39,000                | -                  | 39,000            | 66,000            |
| Sport courses and events                | -                     | 163,124               | -                  | 163,124           | 115,726           |
| Interest income                         | -                     | 38,452                | -                  | 38,452            | 98,365            |
| Contributions in kind                   | -                     | -                     | -                  | -                 | 85,414            |
| Strategic partnerships                  | -                     | -                     | -                  | -                 | 82,500            |
| Other income                            | -                     | 27,044                | -                  | 27,044            | 6,632             |
|   | <b>35,723,675</b>     | <b>2,409,570</b>      | <b>-</b>           | <b>38,133,245</b> | <b>16,411,887</b> |
| <b>Expenses</b>                         |                       |                       |                    |                   |                   |
| Grants                                  | 18,168,934            | 39,174                | -                  | 18,208,108        | 13,574,748        |
| Salaries and benefits                   | 20,000                | 1,314,428             | -                  | 1,334,428         | 1,120,704         |
| Program development and marketing       | 73,852                | 312,832               | -                  | 386,684           | 443,119           |
| General and administration              | 61,247                | 154,533               | 2,003              | 217,783           | 298,265           |
| Facilities                              | -                     | 167,738               | -                  | 167,738           | 155,273           |
| Telephone and technology                | -                     | 107,828               | -                  | 107,828           | 106,385           |
| Grants in kind                          | -                     | -                     | -                  | -                 | 85,414            |
| Travel                                  | -                     | -                     | -                  | -                 | 62,101            |
| Legal and audit                         | -                     | 24,407                | -                  | 24,407            | 21,000            |
| Other                                   | 2,116                 | (7,357)               | -                  | (5,241)           | 12,530            |
| Staff and volunteer                     | -                     | -                     | -                  | -                 | 1,002             |
|   | <b>18,326,149</b>     | <b>2,113,583</b>      | <b>2,003</b>       | <b>20,441,735</b> | <b>15,880,541</b> |
| <b>Excess of revenue over expenses</b>  | <b>17,397,526</b>     | <b>295,987</b>        | <b>(2,003)</b>     | <b>17,691,510</b> | <b>531,346</b>    |
| <b>Fund Balance – Beginning of year</b> | <b>1,026,442</b>      | <b>805,227</b>        | <b>6,009</b>       | <b>1,837,678</b>  | <b>1,306,332</b>  |
| <b>Inter-fund transfers (note 6)</b>    | <b>-</b>              | <b>-</b>              | <b>-</b>           | <b>-</b>          | <b>-</b>          |
| <b>Fund Balance – End of year</b>       | <b>18,423,968</b>     | <b>1,101,214</b>      | <b>4,006</b>       | <b>19,529,188</b> | <b>1,837,678</b>  |

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, 2021

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|  | 2021<br>\$         | 2020<br>\$      |
|--|--------------------|-----------------|
| <b>Cash provided by (used in)</b>                    |                    |                 |
| <b>Operating activities</b>                          |                    |                 |
| Excess of revenues over expenses for the year        | 17,691,510         | 531,346         |
| Items not affecting cash – amortization              | 2,003              | 15,359          |
|  | <hr/> 17,693,513   | <hr/> 546,705   |
| Changes in non-cash working capital items            |                    |                 |
| Accounts receivable                                  | (15,197,577)       | (340,117)       |
| Prepaid expenses and deposits                        | (9,550)            | (2,535)         |
| Accounts payable and accrued liabilities             | (152,683)          | 282,758         |
|  | <hr/> (15,359,810) | <hr/> (59,894)  |
|  | 2,333,703          | 486,811         |
| <b>Investing activities</b>                          |                    |                 |
| Acquisitions of property and equipment               | -                  | (6,009)         |
|  | <hr/> 2,333,703    | <hr/> 480,802   |
| <b>Increase in cash and cash equivalents</b>         | 2,333,703          | 480,802         |
| <b>Cash and cash equivalents – Beginning of year</b> | 1,844,012          | 1,363,210       |
|  | <hr/> 4,177,715    | <hr/> 1,844,012 |
| <b>Cash and cash equivalents – End of year</b>       | <hr/> 4,177,715    | <hr/> 1,844,012 |

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

# viaSport British Columbia Society

## Notes to Financial Statements

March 31, 2021

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### 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 \$670,132 to the six highest remunerated employees, each of whom received total remuneration of \$75,000 or greater. No remuneration is paid to any members of the Board of Directors and no contractors are paid more than \$75,000. This disclosure is provided in accordance with the requirements of the BC 's Societies Act.

#### COVID-19 impact

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus known as COVID-19. Provincial Health Orders required the cancelation and postponement of many sport activities and events which had multiple impacts on provincial-, multi- and disability- sport organizations in British Columbia.

COVID-19 posed a number of challenges and opportunities to the Society in fiscal 2021. With the emergence of COVID-19 variants and efforts to vaccinate the population, the Society's Management and Board continue to closely monitor risks to operations and adjust to take advantage of opportunities to help the sector return to sport safely.

With the uncertainty of the pandemic and additional volume of work engaged by the Society to support COVID-19 response and relief efforts, it applied for Government of Canada's 10% Temporary Wage Subsidy (TWS) for Employers. The Society received the subsidy amount of \$19,191 recorded as other income.

The Society is dependent upon the ongoing receipt of provincial funding to ensure the continuance of its program. Management believes this funding will continue and the Society is poised to remain stable, resilient and socially inclusive in years to come.

### 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).



# viaSport British Columbia Society

## Notes to Financial Statements

March 31, 2021

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### **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 (the restricted fund) are assigned to the operations fund. 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.

From the total provincial government revenue provided to viaSport, 94.3% is allocated to the restricted fund for grants and 5.7% is for viaSport operations.

### **Revenue recognition**

Contributions to program funds (the restricted fund) 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.

# viaSport British Columbia Society

## Notes to Financial Statements

March 31, 2021

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### 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.

### Website development costs

Website costs generally are not capitalized and normally expensed. An entirely new website, or the addition of significant new functionality, which involves 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 \$29,840 due from an affiliated foundation to the Society. This is an affiliate due to common ownership and the amounts owing relate to the costs of establishing the affiliate paid by the Society. Repayment is made once the foundation is operational.

# viaSport British Columbia Society

## Notes to Financial Statements

March 31, 2021

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### 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, 2021, the total Legacy Fund was \$720,551 (2020 – \$612,436) with gross investment returns of \$156,512 in 2021, in contrast with the 2020 investment loss of \$44,995. The Society will continue to administer the granting out of these funds and the distribution of income earned on the endowment fund. During the year, \$36,000 (2020 – \$nil) was granted to Indigenous Youth Sport athletes.

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, 2021, the CBCL Fund holds an endowment of \$127,153 (2020 – \$108,657) with a distributable amount of \$29,656 (2020 – \$26,099). As at March 31, 2021, the CABC Fund holds an endowment of \$225,806 (2020 – \$192,959) with a distributable amount of \$50,493 (2020 – \$44,176). 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 are 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.

# viaSport British Columbia Society

## Notes to Financial Statements

March 31, 2021

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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.

### 6 Interfund transfers

|  |                       |                       |                    | 2021        |
|--|-----------------------|-----------------------|--------------------|-------------|
|  | Restricted fund<br>\$ | Operations fund<br>\$ | Capital fund<br>\$ | Total<br>\$ |
| Transfer from the restricted fund to the operations fund | (376)                 | 376                   | -                  | -           |
| Transfer from the operations fund to the capital fund    | -                     | (6,009)               | 6,009              | -           |
|  | <u>(376)</u>          | <u>(5633)</u>         | <u>6,009</u>       | <u>-</u>    |

All expenditures within the restricted fund 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 restricted fund are restricted for a specific purpose by the grantor. During the current year, no transfers have been made between the restricted fund and the operations fund. No property or equipment were acquired during the year (2020 – \$6,009).

### 7 Fund balances

a) Restricted fund balances are primarily government-designated funds towards specific initiatives and sport programming. The primary reason for the significant increase in restricted fund balances to \$18,423,968 (2020-\$1,026,442) is due to one-time grants from the Ministry of Tourism, Arts, Culture and Sport (MTACS). This grant funding is intended to assist sport organizations across the province with overcoming the financial impacts caused by the COVID-19 pandemic, including:

- i) \$14,750,000 – Amateur Sport League Fund (ASLF)
- ii) \$1,041,178 – Local Sport Relief Funding

The remaining amount in the restricted fund includes \$500,000 for Major Event Programming; \$250,000 restricted reserve for Safesport; and unspent application grants due to cancellation and postponement of sports events. All unspent application grants are approved by MTACS for carryover and reallocation to the restricted fund in the next fiscal year.

# viaSport British Columbia Society

## Notes to Financial Statements

March 31, 2021

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- b) Board Designated reserves – in 2020-21, the board of directors internally restricted the following funds for specific purposes, namely:
- i) 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.
  - ii) Safe sport reserve (\$125,000) – the 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. The provincial government has contributed \$250,000 towards this program.
  - iii) Strategic initiatives reserve (\$226,214) – to accumulate resources to support the Society’s future strategic priorities. Part of this fiscal year’s surplus amounting to \$45,987 has been transferred to the strategic initiatives reserve as authorized by the board of directors (2020-\$180,227).
- c) Undesignated Operation fund balance – are net assets used to run day-to-day operations.

## 8 Commitments

In addition to the annual operating expenses, the Society is committed to the following base rent payments under the operating lease:

|                          | \$      |
|--------------------------|---------|
| April 2021 to April 2022 | 104,089 |
| May 2022 to April 2023   | 98,037  |
| May 2023 to April 2024   | 99,853  |

Signatures