

Financial Statements of

viaSport British Columbia Society

And Independent Auditor's Report thereon

Year ended March 31, 2023



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone 604-691-3000
Fax 604-691-3031

INDEPENDENT AUDITOR'S REPORT

To the Directors of viaSport British Columbia Society

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of viaSport British Columbia Society (the "Society"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Society as at March 31, 2023, 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 auditor's report.

We are independent of the Society 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.



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 the 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.
- 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 (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Vancouver, Canada
July 31, 2023

viaSport British Columbia Society

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	19,201,736	7,383,618
Accounts receivable (note 3)	5,708,155	4,576,762
Prepaid expenses and deposits	58,269	44,780
Other	280	280
	<u>24,968,440</u>	<u>12,005,440</u>
Capital assets (note 4)	78,925	2,003
	<u>25,047,365</u>	<u>12,007,443</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 768,290	\$ 196,209
Fund Balances:		
Restricted fund (note 7 (a))	21,763,325	10,742,545
Operations fund (note 7 (b))	2,436,825	1,066,686
Capital fund (note 7)	78,925	2,003
	<u>24,279,075</u>	<u>11,811,234</u>
Commitments (note 8)		
	<u>\$ 25,047,365</u>	<u>\$ 12,007,443</u>

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

Approved on behalf of the Board of Directors:

R. Ramsbottom

Signed: 7/27/2023

Director

Samantha Shorter

Signed: 7/27/2023

Director

viaSport British Columbia Society

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

				2023	2022
	Restricted Fund	Operations Fund	Capital Fund	Total	Total
Revenue:					
Provincial contribution funding	\$ 13,524,050	\$ 1,841,950	\$ -	\$ 15,366,000	\$ 15,366,000
Provincial initiatives funding	17,189,500	1,174,500	-	18,364,000	4,529,441
Private sector funding	220,000	47,635	-	267,635	65,000
Sport courses and events	-	177,111	-	177,111	194,539
Interest income	-	452,573	-	452,573	89,958
Contributions in kind	-	130,923	-	130,923	-
Other income	-	41,269	-	41,269	1,568
	30,933,550	3,865,961	-	34,799,511	20,246,506
Expenses					
Grants	19,069,118	69,817	-	19,138,935	25,599,642
Salaries and benefits	-	1,399,759	-	1,399,759	1,342,713
Program development and marketing	624,049	356,004	-	980,053	483,265
General and administration	69,603	137,438	2,003	209,044	232,340
Facilities	-	182,460	-	182,460	169,880
Telephone and technology	150,000	98,848	-	248,848	93,075
Grants in kind	-	130,923	-	130,923	-
Legal and audit	-	40,451	-	40,451	42,828
Other	-	1,197	-	1,197	717
	19,912,770	2,416,897	2,003	22,331,670	27,964,460
Excess (deficiency) of revenue over expenses	11,020,780	1,449,064	(2,003)	12,467,841	(7,717,954)
Fund balance, beginning of year	10,742,545	1,066,686	2,003	11,811,234	19,529,188
Transfers	-	(78,925)	78,925	-	-
Fund balance, end of year	\$ 21,763,325	\$ 2,436,825	\$ 78,925	\$ 24,279,075	\$ 11,811,234

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

viaSport British Columbia Society

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses	\$ 12,467,841	\$ (7,717,954)
Amortization, an item not affecting cash	2,003	2,003
	12,469,844	(7,715,951)
Changes in non-cash working capital items		
Accounts receivable	(1,131,393)	11,022,775
Prepaid expenses and deposits	(13,489)	3,737
Accounts payable and accrued liabilities	572,081	(104,658)
Net change in non-cash working capital items	(572,801)	10,921,854
	11,897,043	3,205,903
Investing activities:		
Website development costs	(78,925)	-
Increase in cash and cash equivalents	11,818,118	3,205,903
Cash and cash equivalents, beginning of year	7,383,618	4,177,715
Cash and cash equivalents, end of year	\$ 19,201,736	\$ 7,383,618

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

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

1. Organization:

viaSport British Columbia Society (the “Society”) is a not-for-profit organization incorporated on January 24, 2011 and is registered under the Societies Act (British Columbia). The Society is exempt from income taxes provided certain requirements of the Income Tax Act continue to be met.

The Society administers sport-related grant programs funded by the Province of British Columbia (the “Province”) 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 the growth of amateur sport in British Columbia, foster a culture that offers safe, welcoming and inclusive sport experiences and support quality economic growth and social development in communities across the province.

2. Significant accounting policies:

(a) Basis of presentation:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants of Canada Handbook (“ASNPO”).

(b) 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 funding provided to viaSport, 91.1% (2022 - 90.3%) is allocated to the restricted fund for contributions and initiatives and 8.9% (2022 - 9.7%) is allocated to the operations fund to administer said restricted funds.

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

2. Significant accounting policies (continued):

(c) 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.

(d) 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.

(e) 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.

(f) 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.

(g) Capital assets:

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

Asset	Basis	Term
Furniture and fixtures	Straight-line	5 years
Computer hardware	Straight-line	3 years
Computer software	Straight-line	3 years
Telephone equipment	Straight-line	5 years
Leasehold improvements	Straight-line	over the term of the lease
Website development	Straight-line	3 years
Gear and equipment	Straight-line	3 years

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

2. Significant accounting policies (continued):

(h) 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.

(i) 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.

(j) 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. Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

3. Accounts receivable:

	2023	2022
Provincial government funding (a)	\$ 5,534,000	\$ 4,500,000
Due from affiliated foundation (b)	29,840	31,764
GST receivable	14,828	28,966
Other	129,487	16,032
	<u>\$ 5,708,155</u>	<u>\$ 4,576,762</u>

(a) Prior to March 31, 2023, the Province granted \$5,534,000 (2022 - \$4,500,000) to support Provincial amateur sport priorities.

(b) This is an amount owed to the Society from an affiliated Foundation. Amounts owed relate to the costs of establishing the affiliate paid by the Society and repayment is made once the foundation is operational. The Foundation is affiliated to the Society by way of common directors.

4. Capital assets:

			2023	2022
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 56,062	\$ 56,062	\$ -	\$ -
Computer hardware	471,063	471,063	-	-
Computer software	31,347	31,347	-	-
Telephone equipment	5,117	5,117	-	-
Leasehold improvement	26,835	26,835	-	-
Website development	643,599	564,674	78,925	-
Gear and equipment	6,009	6,009	-	2,003
	<u>\$ 1,240,032</u>	<u>\$ 1,161,107</u>	<u>\$ 78,925</u>	<u>\$ 2,003</u>

5. Trust assets and obligations:

Since August 27, 2014, the Society is the Trustor administering funds at no charge for the Indigenous 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, 2023, the total Legacy Fund was \$651,353 (2022 - \$705,312) with gross investment losses of \$53,959 (2022 - returns of \$34,826). 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, \$42,000 (2022 - \$37,000) was granted to Indigenous Youth Sport athletes.

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

5. Trust assets and obligations (continued):

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, 2023, the CBCL Fund holds an endowment of \$125,485 (2022 - \$130,968) with a distributable amount of \$26,699 (2022 - \$35,853). As at March 31, 2023, the CABC Fund holds an endowment of \$222,843 (2022 - \$232,580) with a distributable amount of \$71,879 (2022 - \$61,497). Both of these funds are not recorded in the financial statements and are administered externally. The interest earned on these funds are accessed and distributed based on the terms outlined in the funds' charters.

6. 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.

(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.

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

7. Fund balances:

	Balance, March 31, 2022	Excess (deficiency) of revenues over expenses	Inter-fund transfers	Balance, March 31, 2023
Restricted fund (a):				
RISE Program (a)(i)	\$ 3,614,154	\$ (650,000)	\$ -	\$ 2,964,154
Recovery Sport (a)(ii)	4,423,500	(4,423,500)	-	-
Team BC (a)(iii)	489,983	(269,355)	-	220,628
Safe Sport (a)(iv)	250,000	6,655,500	-	6,905,500
Major/Marquee Events (a)(v)	200,000	5,534,000	-	5,734,000
High performance (a)(vi)	-	5,000,000	-	5,000,000
Data & Info Systems Upgrade (a)(vii)	200,000	(150,000)	-	50,000
Other (a)(viii)	1,564,908	(675,865)	-	889,043
	10,742,545	11,020,780	-	21,763,325
Operations fund:				
Board designated reserves (b)				
Operating reserve (b)(i)	500,000	-	200,000	700,000
Safe Sport reserves (b)(ii)	125,000	-	1,174,500	1,299,500
Strategic Initiatives reserve (b)(iii)	365,186	-	(6,470)	358,716
	990,186		1,368,030	2,358,216
Undesignated fund (b)	76,500	1,449,064	(1,446,955)	78,609
	1,066,686	1,449,064	(78,925)	2,436,825
Capital asset fund	2,003	(2,003)	78,925	78,925
	\$ 11,811,234	\$ 12,467,841	\$ -	\$ 24,279,075

(a) Restricted fund balances are primarily government-designated funds towards specific initiatives and sport programming. All expenditures within the restricted fund are in support of programs as specified in agreements with the Province and agreements with other grantors. Remaining monies in the restricted fund are restricted for a specific purpose by the grantor, namely:

- (i) As per the direction from the Province, funds not expended from the Amateur Sport League Fund were allocated to support vulnerable youth accessing sport through the RISE (Resilient, Inspire, Strength, Engage) program administered by the Indigenous Sport Physical Activity and Recreation Council.
- (ii) The Sport Recovery Grant supported the continued recovery of the sport sector, specifically for programs focused on rebuilding sport membership, recruitment and retention of volunteers, as well as safe sport education and awareness.
- (iii) viaSport administers the Ministry's investment to support Team BC Mission Staff for teams representing the province at the Canada Games through an annual agreement with the BC Games Society.

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

7. Fund balances (continued):

(a) Restricted fund balances (continued):

- (iv) The Province's investment to implement mechanisms to strengthen safety in sport.
- (v) The Province's funds to support major or marquee sport events legacy initiatives.
- (vi) The Province's funds to support high performance sport development.
- (vii) The Province's investment in future upgrades in a data collection system.
- (viii) Other restricted funds consist primarily of Hosting BC funds distributed as pandemic shutdowns were lifted and as sport organizations recovered and ran events.

During the current year, no transfers have been made between the restricted fund and the operations fund.

(b) The Operations fund comprises of the Undesignated fund which is net assets used to run day-to-day operations and the following funds restricted for specific purposes by the Board of Directors, namely:

- (i) The Operating reserve is made up of \$500,000 contingency 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 and \$200,000 operating initiatives to address funding pressures resulting from limited operational budget and rising costs due to inflation.
- (ii) Safe Sport reserves include the Society's contribution (\$125,000) to fund the strategy to strengthen safety in sport. Additionally, the reserve includes the Province's contribution (\$1,174,500) for project administration of said strategy.
- (iii) The Strategic Initiatives reserve is to save the necessary resources for the Society's future strategic priorities.

8. Commitments:

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

	2023
2024	\$ 100,003
2025	8,321
	<u>\$ 108,324</u>

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2023

9. Employee, director and contractor remuneration:

The Societies Act (British Columbia) requires disclosure of remuneration paid to all Board directors, to the ten highest paid employees who are paid at least \$75,000 annually, and to all contractors who are paid at least \$75,000 annually.

During the year, the Society paid remuneration of \$678,048 (2022 - \$673,701) to six (2022 - six) employees.

No remuneration was paid to contractors in excess of \$75,000 and no directors were paid in 2023 or 2022.