

Financial Statements of

viaSport British Columbia Society

And Independent Auditors' Report thereon

Year ended March 31, 2022



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

INDEPENDENT AUDITORS' 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, 2022
- 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, 2022, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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.



Other Matter – Comparative Information

The financial statements for the year ended end of March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 28, 2021.

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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

Chartered Professional Accountants

Vancouver, Canada
July 27, 2022

viaSport British Columbia Society

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,383,618	\$ 4,177,715
Accounts receivable (note 3)	4,576,762	15,599,537
Prepaid expenses and deposits	44,780	48,517
Other	280	280
	<u>12,005,440</u>	<u>19,826,049</u>
Tangible capital assets (note 4)	2,003	4,006
	<u>\$ 12,007,443</u>	<u>\$ 19,830,055</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities	\$ 196,209	\$ 300,867
Fund Balances:		
Restricted fund (note 7 (a))	10,742,545	18,423,968
Operations fund (note 7 (b))	1,066,686	1,101,214
Capital fund (note 7)	2,003	4,006
	<u>11,811,234</u>	<u>19,529,188</u>
Commitments (note 8)		
	<u>\$ 12,007,443</u>	<u>\$ 19,830,055</u>

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

Approved on behalf of the Board of Directors:

R. Ramsbottom

Signed: 7/28/2022

Director

Samantha Shorter

Signed: 7/28/2022

Director

viaSport British Columbia Society

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

				2022	2021
	Restricted Fund	Operations Fund	Capital Fund	Total	Total
Revenue:					
Provincial government funding	\$ 17,971,991	\$ 1,923,450	\$ -	\$ 19,895,441	\$ 37,859,500
Federal government funding	-	-	-	-	6,125
Private sector funding	25,000	40,000	-	65,000	39,000
Sport courses & events	-	194,539	-	194,539	163,124
Interest income	-	89,958	-	89,958	38,452
Other income	-	1,568	-	1,568	27,044
	17,996,991	2,249,515	-	20,246,506	38,133,245
Expenses					
Grants	25,560,492	39,150	-	25,599,642	18,208,108
Salaries & benefits	-	1,342,713	-	1,342,713	1,334,428
Program development & marketing	38,535	444,730	-	483,265	386,684
General & administration	79,058	151,279	2,003	232,340	217,783
Facilities	-	169,880	-	169,880	167,738
Telephone & technology	-	93,075	-	93,075	107,828
Legal and audit	-	42,828	-	42,828	24,407
Other	329	388	-	717	(5,241)
	25,678,414	2,284,043	2,003	27,964,460	20,441,735
Excess (deficiency) of revenue over expenses	(7,681,423)	(34,528)	(2,003)	(7,717,954)	17,691,510
Fund balance, beginning of year	18,423,968	1,101,214	4,006	19,529,188	1,837,678
Fund balance, end of year	\$ 10,742,545	\$ 1,066,686	\$ 2,003	\$ 11,811,234	\$ 19,529,188

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

viaSport British Columbia Society

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenues over expenses for the year	\$ (7,717,954)	\$ 17,691,510
Amortization, an item not affecting cash	2,003	2,003
	(7,715,951)	17,693,513
Changes in non-cash working capital items		
Accounts receivable	11,022,775	(15,197,577)
Prepaid expenses and deposits	3,737	(9,550)
Accounts payable and accrued liabilities	(104,658)	(152,683)
Net change in non-cash working capital items	10,921,854	(15,359,810)
Increase in cash and cash equivalents	3,205,903	2,333,703
Cash and cash equivalents, beginning of year	4,177,715	1,844,012
Cash and cash equivalents, end of year	\$ 7,383,618	\$ 4,177,715

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

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2022

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.

In March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. In the spring of 2020, the Province asked the Society to work with government, the sport sector, and other stakeholders on COVID-19 restrictions, sector response and recovery. Increased funding contributions and grants were provided by the Province. The Society’s ability to distribute certain funding has been constrained by pandemic safety measures applied to sport including shutdowns, shifted priorities and sector capacity challenges. Management will continue to monitor the impact of the increased activity on its resources and will adjust its operations as necessary to ensure its obligations are fulfilled.

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 revenue provided to viaSport, 90.3% (2021 – 94.3%) is allocated to the restricted fund for grants and 9.7% (2021 – 5.7%) is for viaSport operations and grant administration.

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2022

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) Tangible capital assets:

Tangible 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 & equipment	Straight-line	3 years

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2022

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, 2022

3. Accounts receivable:

	2022	2021
Provincial government funding (i)	\$ 4,500,000	\$ 15,500,000
Due from affiliated foundation (ii)	31,764	29,840
GST receivable	28,966	15,170
Other	16,032	54,528
	<u>\$ 4,576,762</u>	<u>\$ 15,599,538</u>

- (i) Prior to March 31, 2022, the Province granted \$4,500,000 (2021 - \$15,500,000) to support the continued recovery of the sport sector. The amount was received subsequent to year-end.
- (ii) This is an amount owed to the Society from an affiliated Foundation due to common directors. Amounts owed related to the costs of establishing the affiliate paid by the Society and repayment is made once the foundation is operational.

4. Tangible capital assets:

	2022		2021	
	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	564,674	564,674	-	-
Gear and equipment	6,009	4,006	2,003	4,006
	<u>\$ 1,161,107</u>	<u>\$ 1,159,104</u>	<u>\$ 2,003</u>	<u>\$ 4,006</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, 2022, the total Legacy Fund was \$705,312 (2021 - \$720,551) with gross investment returns of \$34,826 (2021 - \$156,512). 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, \$37,000 (2021 - \$36,000) was granted to Indigenous Youth Sport athletes.

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Notes to Financial Statements

Year ended March 31, 2022

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, 2022, the CBCL Fund holds an endowment of \$130,968 (2021 – \$127,153) with a distributable amount of \$35,853 (2021 - \$29,656). As at March 31, 2022, the CABC Fund holds an endowment of \$232,580 (2021 - \$225,806) with a distributable amount of \$61,497 (2021 - \$50,493). 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.

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, 2022

7. Fund balances:

	Balance, March 31, 2021	Deficiency of revenues over expenses	inter-fund transfers	Balance, March 31, 2022
Restricted fund (a):				
Amateur Sport League Fund (a)(i)	\$ 14,750,000	\$(11,135,846)	\$ -	\$ 3,614,154
Recovery Sport Fund (a)(ii)	-	4,423,500	-	4,423,500
Local Sport Relief Funding	1,041,178	(1,041,178)	-	-
Team BC (a)(iii)	398,070	91,913	-	489,983
Safe Sport (a)(iv)	250,000	-	-	250,000
Major Event Programming (a)(v)	500,000	(300,000)	-	200,000
Data & Info Systems Upgrade (a)(vi)	200,000	-	-	200,000
Other (vii)	1,284,720	280,188	-	1,564,908
	18,423,968	(7,681,423)	-	10,742,545
Operations fund:				
Board Designated Reserves (b)				
Operating reserve (b)(i)	500,000	-	-	500,000
Safe Sport reserve (b)(ii)	125,000	-	-	125,000
Strategic Initiatives reserve (b)(iii)	226,214	-	138,972	365,186
	851,214	-	138,972	990,186
Undesignated fund (b)	250,000	(34,528)	(138,972)	76,500
	1,101,214	(34,528)	-	1,066,686
Capital asset fund	4,006	(2,003)	-	2,003
	\$ 19,529,188	\$ (7,717,954)	\$ -	\$ 11,811,234

(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 a shared cost agreement 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) Funds not expended for Amateur Sport Leagues are to be re-directed to programs that assist vulnerable youth accessing sport.
- (ii) The Sport Recovery Grant is to support 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. Postponement of the 2021 Canada Games resulted in limited distribution of Team BC funding in fiscal 2021/22.
- (iv) Safe Sport is the Province's contribution towards investigations and investments in said program.

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Notes to Financial Statements

Year ended March 31, 2022

7. Fund balances (continued):

(a) Continued:

(v) Major Event Programming to support hosting costs of major sport events in British Columbia.

(vi) The Province's investment in future upgrades in a data collection system.

(vii) Other restricted funds consist primarily of Hosting BC funds as pandemic shutdowns continued to limit event hosting and as sport organizations faced capacity challenges.

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 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) The Safe Sport reserve is the Society's share and contribution to fund the safe sport investigations and investments in said program. The Province has contributed \$250,000 towards this program which is included in Restricted funds.

(iii) The Strategic Initiatives reserve is to accumulate resources to support 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:

	2021
2023	\$ 98,188
2024	100,003
2025	8,321
	<hr/> \$ 206,512 <hr/>

viaSport British Columbia Society

Notes to Financial Statements

Year ended March 31, 2022

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 \$673,701 (2021 - \$670,132) to six (2021 – six) employees.

No remuneration was paid to contractors in excess of \$75,000 and no directors were paid in 2022 or 2021.

Record of Signing

For viaSport
Name Rick Ramsbottom
Title Chair

R. Ramsbottom

Signed on 2022-07-28 18:27:41 GMT

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DocumentID: ZTBhYWRiNTktN2
SigningID: ZTgzMDgyN2EtNm
Signing date: 7/28/2022
IP Address: 23.16.16.109
Email: rick@unitepartnerships.com

For sshorter@redfernconsulting.ca
Name Samantha Shorter
Title

Samantha Shorter

Signed on 2022-07-28 16:59:13 GMT

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SigningID: NzM0YmU2OGYtMT
Signing date: 7/28/2022
IP Address: 184.70.2.70
Email: sshorter@redfernconsulting.ca

