

**viaSport British Columbia
Society**

Financial Statements
March 31, 2018



July 24, 2018

Independent Auditor's Report

**To the Directors of
viaSport British Columbia Society**

We have audited the accompanying financial statements of viaSport British Columbia Society, which comprise the balance sheet as at March 31, 2018 and the statement of operations and fund balances and the statement of cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of viaSport British Columbia Society as at March 31, 2018 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.

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles in 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

viaSport British Columbia Society

Balance Sheet

As at March 31, 2018

	2018 \$	2017 \$
Assets		
Current assets		
Cash and cash equivalents	1,518,210	921,953
Accounts receivable	192,334	143,553
Prepaid expenses and deposits	36,886	15,466
	<u>1,747,430</u>	<u>1,080,972</u>
Property and equipment (note 3)	41,770	60,402
Website development costs (note 4)	4,663	60,986
	<u>1,793,863</u>	<u>1,202,360</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	311,573	126,162
Fund Balances		
Operations	490,253	432,181
Capital	46,434	121,388
Restricted		
Funded initiatives	945,603	522,629
	<u>1,482,290</u>	<u>1,076,198</u>
Commitments (note 8)	<u>1,793,863</u>	<u>1,202,360</u>

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, 2018

	2018			2017	
	Operations \$	Funded initiatives \$	Capital \$	Total \$	Total \$
Revenue					
Provincial government funding	1,781,950	14,224,050	-	16,006,000	16,024,750
Private sector funding	9,655	45,000	-	54,655	59,109
Contributions in kind	100,000	-	-	100,000	97,922
Events	204,905	-	-	204,905	166,876
Strategic partnerships	-	120,000	-	120,000	269,585
Other income	10,819	-	-	10,819	5,670
Interest income	28,683	-	-	28,683	48,640
	2,136,012	14,389,050	-	16,525,062	16,672,552
Expenses					
Grants	144,456	13,768,661	-	13,913,117	13,827,122
Salaries and benefits	1,049,914	101,537	-	1,151,451	1,408,980
General and administration	186,287	76,179	92,567	355,033	726,725
Media and marketing	214,107	-	-	214,107	223,688
Facilities	136,895	-	-	136,895	150,672
Telephone and technology	116,543	-	-	116,543	175,441
Grants in kind	100,000	-	-	100,000	97,922
Travel	67,912	16,872	-	84,784	87,785
Legal and audit	27,500	-	-	27,500	22,933
Other	11,861	2,827	-	14,688	3,668
Staff and volunteer	4,852	-	-	4,852	7,257
Office	-	-	-	-	11,652
	2,060,327	13,966,076	92,567	16,118,970	16,743,845
Excess (deficiency) of revenue over expenses	75,685	422,974	(92,567)	406,092	(71,293)
Fund balance - Beginning of year	432,181	522,629	121,388	1,076,198	1,147,491
Interfund transfers (note 7)	(17,613)	-	17,613	-	-
Fund balance - End of year	490,253	945,603	46,434	1,482,290	1,076,198

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, 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Excess/(deficiency) revenue over expenses for the year	406,092	(71,293)
Items not affecting cash		
Amortization	92,567	277,705
Termination provision	-	49,469
	<u>498,659</u>	<u>255,881</u>
Changes in non-cash working capital items		
Accounts receivable	(48,781)	211,817
Prepaid expenses and deposits	(21,420)	14,054
Accounts payable and accrued liabilities	185,412	(522,678)
	<u>115,211</u>	<u>(296,807)</u>
	<u>613,870</u>	<u>(40,926)</u>
Cash flows from investing activities		
Purchase of property and equipment	(17,613)	(29,145)
Cash spent on website development costs	-	(60,985)
	<u>(17,613)</u>	<u>(90,130)</u>
Increase (decrease) in cash and cash equivalents	596,257	(131,056)
Cash and cash equivalents - Beginning of year	921,953	1,053,009
Cash and cash equivalents - End of year	<u>1,518,210</u>	<u>921,953</u>

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

viaSport British Columbia Society

Notes to Financial Statements

March 31, 2018

1 Organization

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

The Society commenced operations on November 1, 2011 and a number of website assets and programs were transferred from 2010 Legacies Now Society at that time.

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 \$548,872 to the four highest remunerated employees for services, each of whom received total remuneration of \$75,000 or greater. No remuneration was paid to any members of the Board of Directors and no contractors were paid more than \$75,000. This disclosure is provided in accordance with the requirements of the BC's Societies Act.

2 Significant accounting policies

Basis of presentation

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

Fund accounting

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

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

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

From the total government revenue provided to viaSport, 89% is allocated to the restricted fund for grants and 11% is for viaSport operations.

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Notes to Financial Statements

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Revenue recognition

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

Investment income is recognized as revenue when earned.

Contributions in kind

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

Grants

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

Cash and cash equivalents

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

Property and equipment

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

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

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

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Website development costs

Website development costs are 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. Website development costs are reviewed annually for impairment.

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 Property and equipment

			2018	2017
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Trademarks	280	-	280	279
Furniture and fixtures	56,457	(37,737)	18,720	33,061
Computer hardware	471,063	(471,063)	-	-
Computer software	31,347	(15,162)	16,185	24,674
Telephone equipment	5,117	(5,117)	-	2,388
Leasehold improvements	26,835	(20,250)	6,585	-
	591,099	(549,329)	41,770	60,402

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4 Website development costs

			2018	2017
	Cost \$	Accumulated amortization \$	Net \$	Net \$
Website development costs	564,674	560,011	4,663	60,986

5 Trust assets and obligations

Since October 15, 2012, the Society has been the Trustee administering funds at no charge for the Aboriginal Youth Sports Legacy Fund (the Legacy Fund). Effective August 27, 2014, \$600,000 of these funds held in trust were transferred to the West Vancouver Foundation to an endowed fund. At the year ended March 31, 2018, the total fund balance stood at \$719,109 and incurred loss of \$9,617 in contrast with the 2017 - \$95,136 investment income earned on the funds. The Society will continue to administer the granting out of these funds and the distribution of income earned on the endowment fund.

The Society directs the granting of income earned on a Coaches BC Legacy Fund (CBCL) and Coaches Association of BC Fund (CABC), both administered by the Vancouver Foundation for coaching development in BC. CBCL holds an endowment of \$117,441 (2017 - \$101,195) with a distributable amount of \$16,948 (2017 - \$12,665) as of March 31, 2018 and CABC holds an endowment of \$208,558 (2017 - \$182,218) with a distributable amount of \$27,925 (2017 - \$20,319) as of March 31, 2018.

All of these funds are not recorded in the financial statements and are administered externally. The interest earned on these funds can only be accessed through a charitable institution.

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 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.

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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.

7 Interfund transfers

					2018
	Operations \$	Funded initiatives \$	FIFA \$	Capital \$	Total \$
Transfer from operations to capital	(17,613)	-	-	17,613	-
					2017
	Operations \$	Funded initiatives \$	FIFA \$	Capital \$	Total \$
Transfer from operations to capital	(81,950)	-	-	81,950	-

All expenditures within the funded initiatives must be made in support of funded initiatives as specified in the shared cost agreement. Remaining monies in the funded initiatives are restricted for a specific purpose by the grantor. The transfer from operations to capital is to cover additions to property and equipment and website development costs.

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8 Commitments

On May 1, 2017, the Society entered into a lease agreement for a term of two years expiring on April 30, 2019. In addition to the annual operating expenses, the Society is committed to the following base rent payments under the operating lease:

	\$
April 2018	7,111
May 2018- April 2019	85,329