

**Newfoundland and Labrador Sports Centre**

**Annual Report**

**2014-15**



**TABLE OF CONTENTS**

MESSAGE FROM THE CHAIR.....3

OVERVIEW.....4

    Mandate.....5

    Values .....5

    Vision.....5

    Lines of Business.....6

    Primary Clients .....6

    Shared Commitments .....7

REPORT ON PERFORMANCE .....8

OPPORTUNITIES AND CHALLENGES AHEAD .....11

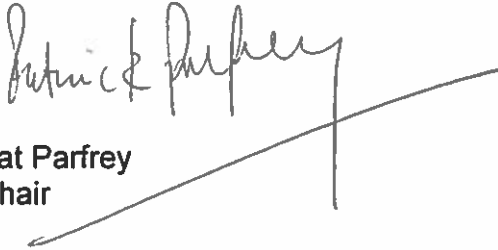
APPENDIX 1: AUDITED FINANCIAL STATEMENTS .....13

APPENDIX 2: STRATEGIC DIRECTIONS.....14

## MESSAGE FROM THE CHAIR

As Chair of the board for the Newfoundland and Labrador Sports Centre (NLSC), I am pleased to present its annual report for the fiscal year 2014-15. The annual report has been prepared and is submitted in accordance with the obligation as a category three entity under the *Transparency and Accountability Act*. My signature below is indicative of the Board's accountability for the actual results reported.

Sincerely,

A handwritten signature in cursive script, appearing to read "Pat Parfrey". The signature is written in black ink and is positioned above a long, thin horizontal line that extends across the width of the signature.

Pat Parfrey  
Chair

## OVERVIEW

The Newfoundland and Labrador Sports Centre (NLSC) is managed by a board of directors appointed by the Lieutenant-Governor in Council. The board of directors is presently composed of 13 members: chairperson, government representative and several board members, drawn from a range of the sport and recreation community who have far-reaching experience in the field.

The NLSC is a world-class, state of the art training facility, located in St. John's, which was officially opened in July 2008. Its construction was funded by three levels of government, the sports community and the private sector. An annual operating grant is provided by the Government of Newfoundland and Labrador through the Department of Seniors, Wellness and Social Development (SWSD). It serves as a venue for athlete training and for hosting provincial, national and international competitions for the more than 70,000 athletes, coaches and administrators that make up Sport Newfoundland and Labrador (Sport NL). The centre is operated as a provincial Crown corporation, and includes two separate facilities on the same site – a multi-purpose indoor training facility and a high performance centre. The NLSC employed 15 staff, 1 female and 14 males, during the time frame covered by this report.

The indoor training facility, known as The PowerPlex, provides the province's athletes with access to a boxing/combat room, locker and shower rooms, and a 2,944 square metre (or 32,000 square foot) gymnasium, which is large enough to have four basketball, seven volleyball or seven badminton courts playable at any one time.

The high performance centre, known as the Dr. Noel Browne High Performance Centre, is an extension to the adjacent Swilers Rugby Club, and includes a multi-purpose meeting room, three offices, and a strength and conditioning room which is on equal scale and of equal quality to many of North America's professional sports teams' facilities.

The annual expenditure for the NLSC this past fiscal year was \$731,105 (please see Appendix 1, NLSC Financial Statements March 31, 2015).

At the end of this reporting period, March 31, 2015 the board consisted of the following members:

Chairperson	Dr. Patrick Parfrey, OC
Members	Tanya Haywood, City of St. John's
	Sandy Hickman, City of St. John's
	Tom Godden, Sport Newfoundland and Labrador
	David Noftall, Sport Newfoundland and Labrador
	Sean Gillespie, Swilers Rugby Club
	Dr. Noel Browne, Swilers Rugby Club
	Andrew Battcock,
	Denise May,
	Dave Tibbo
	Janine Woodrow
	Andrew Bruce
	Mark Jones, Department of SWSD

For more information on the NLSC, please contact:

Rod Snow, Facility Manager and High Performance Director  
NL Sports Centre  
100 Crosbie Road  
St. John's, NL, A1E 2X3  
e/ rodsnow@gov.nl.ca  
t/ 729-6580  
f/ 729-6770  
Website: www.nlsportscentre.ca

## **Mandate**

The mandate of the NLSC Board, as described under the objects of the corporation, is:

- a) To manage, maintain and operate the Newfoundland and Labrador Sports Centre;
- b) To provide a high quality facility that allows Newfoundland and Labrador Provincial Sports Organizations the opportunity to implement and develop programs through training and competition; and
- c) To provide a high performance program that promotes and supports increased physical conditioning, skill development and overall athlete development.

## **Values**

In its operation, the NLSC maintains the following values:

### **Safe**

- Each person at the NLSC will work to provide a safe environment in which the Provincial Sport Organizations are able to implement their programs.

### **Excellence**

- Each person at the NLSC will work to encourage and promote excellence for provincial athletes.

### **Accessible**

- Each person at the NLSC will work to ensure the facility is accessible to the citizens of Newfoundland and Labrador through the Provincial Sport Organizations, school groups, hosting of events, and for cardiac patients and the elderly.

## **Vision**

The vision of the NLSC is to be a vehicle to facilitate the overall development of Provincial Sport Organizations, their programs and athletes, in every sport, at all ages,

so that they realize their athletic potential through sport specific training, advanced sports performance training programs, and scientifically designed to maximize human sports performance.

The NLSC will also satisfy the requirement to encourage, attract and host high-level sporting events that can showcase these potential increases in athletic performance.

## **Lines of Business**

The three primary lines of business for the NLSC are as follows:

- **Operation of the Sports Centre**  
The NLSC operates seven days per week and as such, the daily operations of such a facility require a great deal of time and focus. This includes the management of human resource issues, maintenance of the centre, managing bookings, procuring required items and the management of information technology needs, among others.
- **Athlete Development and Training**  
The NLSC complex includes two buildings – a multi-purpose indoor training facility (the PowerPlex) and a high performance centre (Dr. Noel Browne High Performance Centre). These facilities enable athletes and teams to access training space and to help achieve a higher level of athletic success.
- **Sport Event Hosting**  
The NLSC complex serves as a venue to host provincial, national and international competitions for Sport NL.

## **Primary Clients**

The NLSC is overseen by a board and represents a partnership among two levels of government (Provincial and Municipal), the Sports Community and the Private Sector. Because of this, the Centre has a diverse range of primary clients, including:

- Provincial Sport Organizations (PSOs)
- Sport and Recreation organizations (Sport Newfoundland and Labrador, School Sport Newfoundland and Labrador and Recreation Newfoundland and Labrador)
- Government of Newfoundland and Labrador, specifically the Department of SWSD
- City of St. John's
- Newfoundland and Labrador elite athletes
- Newfoundland and Labrador schools
- Memorial University of Newfoundland and Labrador, particularly the School of Human Kinetics and Varsity Athletics
- Cardiac patients and seniors for rehabilitation
- The public.

## Shared Commitments

The NLSC works with a number of groups to administer its programs including:  
City of St. John's

- The City of St. John's utilizes space at the NL Sports Centre at lunch time Monday to Friday to provide physical activity classes and inclusive sports games for employees.
- The City's program shares the Sports Centre's goal of increasing opportunities for enhanced participation by citizens engaged in developing and promoting physical activity, recreation and sport so that the province is a better place in which to live and work.
- The NLSC's Active Kids Program effectively demonstrates promotion of the Provincial Government's strategic direction to "provide leadership and strengthen measures to support people in our province to adopt healthier lifestyles through wellness, including enhanced promotion and support for physical activity for children and youth", specifically the focus areas of healthy living and wellness and children and youth.

NL Cardiac Rehabilitation Association

- The NL Cardiac Rehabilitation Association (NLCRA) operates a walking program at the NL Sports Centre that accommodates 100+ recuperating cardiac surgery patients, three days per week. This allows the NLSC to provide the opportunity for the NLCRA, who are overwhelmingly between 65 years of age and older, to gain access to quality recreation space to increase the physical activity levels.
- This shared commitment is in line with government's strategic direction to "Provide leadership and strengthen measures to support people in our province to adopt healthier lifestyles through wellness, including enhanced promotion and support for physical activity for children and youth", specifically the focus area of healthy living and wellness.

Allied Health Services, Memorial University

- Further to the development of the NL Sports Centre's High Performance Program, Allied Health assists and provides scientific testing of Canada Games and Provincial level athletes.
- This access to physiological testing equipment ensures athletes have all the necessary tools to measure and increase athletic performance in line with the Sports Centre's High Performance Goals.

NL Rugby Union (NLRU)

- The NLRU, in partnership with the NLSC operates, an Active Kids Program as a function of the first stage of the Long Term Athlete Development Program which targets pre-school aged children.
- Active Kids is a free program that operates year round and regularly attracts 80 to 120 children per session and furthers the opportunities for enhanced participation by developing and promoting physical activity for even our youngest citizens.
- The NLSC's Active Kids Program effectively demonstrates government's strategic direction to provide leadership and strengthen measures to support people in our province to adopt healthier lifestyles through wellness, including enhanced promotion and support for physical activity for children and youth, specifically the focus areas of healthy living and wellness, and children and youth.



## REPORT ON PERFORMANCE

The NLSC is operating at high levels of use for the majority of the year, and it is projected that the current equipment and infrastructure will begin to require replacement in the near future. With equipment and infrastructure assessments undertaken regularly, it will be necessary to continue upgrades and improvements based on requirements and stakeholder feedback. NLSC's key for success is appropriately planning for future requirements within its fiscal resources. This planning is to be conducted while ensuring the day-to-day function of the centre, including the hosting of sporting events, is not compromised.

The NLSC's High Performance Program (HP Program) endeavours to offer all Canada Games athletes access to sport specific strength and conditioning training under the supervision and direction of Certified Strength and Conditioning Specialists. The athletes have access to the Riley's Room Strength and Conditioning Area, the PowerPlex gymnasium, and the Combat Room at the NLSC for program delivery. The HP Program can also offer athletes access to professionals in the areas of nutrition, psychology, and psychological testing, at no cost to the athletes. The NLSC's HP Program aims to establish an environment that provides Canada Games teams and athletes with the best opportunity for competitive success at the games.

Furthermore, the board is continuing to build upon the policies and procedures established in the 2011-14 planning cycle.

These key issues are aligned with the strategic directions of the Department of SWSD, specifically the strategic direction to "Provide leadership and strengthen measures to support people in our province to adopt healthier lifestyles through wellness, including enhanced promotion and support for physical activity for children and youth," and its focus areas of healthy living and wellness, and children and youth. The following represents the NLSC board's activities in support of these directions for fiscal year 2014-15. This is the first year of the 2014-17 planning cycle. Two objectives have been identified in NLSC 2014-17 Activity Plan and these are reported on herein. The objective, measure and the indicators below will be reported annually for the three years of the Activity Plan (2014-15, 2015-16 and 2016-17).

### 1. Objective

By March 31, 2015, the NL Sports Centre will have supported the provision of a high-quality, state-of-the-art training facility for Newfoundlanders and Labradorians.

**Measure:** Supported the provision of a high-quality, state-of-the-art training facility.

### Indicators

- Hosted sports events at all levels
- Undertaken an equipment and infrastructure assessment to appropriately plan for future requirements
- Conducted a background review to determine policies required

## Activities

As of March 31, 2015, the NLSC had undertaken the following activities:

### Performance Indicators

Planned for 2014-15	Actual Performance for 2014-15
<p>Hosted sports events at all levels.</p>	<ul style="list-style-type: none"> <li>• Events were hosted at the NLSC at the provincial and regional levels only. These included:               <ol style="list-style-type: none"> <li>1. Provincials – Newfoundland and Labrador Basketball Association (NLBA), Newfoundland and Labrador Volleyball Association (NLVA), Judo, Karate</li> <li>2. Avalon Region- NLBA, NLVA, Ultimate Frisbee</li> <li>3. High School events for NLVA, NLBA and Ultimate</li> <li>4. Hosted events for not-for-profit charities such as Easter Seals, Health Care Foundation, Heart and Stroke. All events were health and fitness based activities.</li> <li>5. Hockey Canada’s Century Tour across Canada.</li> </ol> </li> <li>• Events at a national and international level for most sports are cyclical in nature and often hosts have between 5-10 years between hosting opportunities. It is reasonable to have some years without hosting national or international competition.</li> </ul>
<p>Undertaken an equipment and infrastructure assessment to appropriately plan for future requirements.</p>	<ul style="list-style-type: none"> <li>• Equipment and infrastructure assessment, planning and implementation included:               <ol style="list-style-type: none"> <li>1. Completed installation of air conditioning (AC) equipment at NLSC to address temperature and humidity control to mitigate facility shutdowns and safety concerns. Assessments of environmental conditions inside the facility since installation of AC equipment have mitigated concerns around facility shutdowns and safety.</li> <li>2. Comprehensive review of NLSC roof system undertaken to ensure opportunity for water penetration is minimized. A complete re-application of rubber seam coating is anticipated again by 2016-17.</li> <li>3. Full review of HVAC System to determine schedule for upgrade or rebuild with minimal program disruption and cost.</li> <li>4. Replacement and upgrade of main breaker in Powerplex.</li> </ol> </li> </ul>

Planned for 2014-15	Actual Performance for 2014-15
Conducted a background review to determine policies required.	<ul style="list-style-type: none"> <li>• NLSC continually reviews policy and identifies gaps at user, staff and management levels to be brought forward for consideration by NLSC Board.</li> <li>• Work continues for the further development and implementation policies specific to NLSC operations.</li> </ul>

## 2. Objective

By March 31, 2015, the NL Sports Centre will have provided programming support for the elite and High Performance athletes of Newfoundland and Labrador.

**Measure:** Provided programming support for the elite and High Performance athletes of Newfoundland and Labrador.

### Indicators

- Targeted Teams and Athletes active in High Performance Program
- Provision of a facility with necessary equipment and infrastructure for HP training.
- Established linkages with HP Sport partners. (Canadian Sports Centre Atlantic and other Atlantic Provinces)

### Activities

As of March 31, 2015, the NLSC had undertaken the following activities:

### Performance Indicators

Planned for 2014-15	Actual Performance for 2014-15
Targeted Teams and Athletes active in High Performance Program	<ul style="list-style-type: none"> <li>• Targeting of teams and athletes is determined by consultation with Provincial Sports Organization and coaching staff in combination with an emphasis on placement and performance at most recent National Championships.</li> <li>• As part of the Canada Games High Performance Program; three sports and two athletes identified as Top six potential at the Canada Games.</li> <li>• Targeting of these sports and athletes resulted in two gold medals, two silver medals, fifth place finish and an eighth place finish.</li> <li>• 11 of 16 teams took part in the CG HP Program and five of these teams had good compliance.</li> </ul>

<p>Provision of a facility with necessary equipment and infrastructure for HP training.</p>	<ul style="list-style-type: none"> <li>• The NL Sports Centre continually renews and upgrades equipment for HP training as necessary. Given the high levels of usage, equipment such as foam rollers, bands, med balls, weighted vests and TRX systems are continually replaced as needed and upgraded as new equipment enters market. Decisions to renew and upgrade are based on procedural and visual inspection.</li> <li>• Facilities and equipment are at a high standard for HP Training.</li> <li>• Sports Centre staff ensures scheduling of use by teams is appropriate to spatial limitations of training facilities ensuring Riley’s Room does not exceed 20 athletes at any given time.</li> </ul>
<p>Established linkages with HP Sport partners. (Canadian Sports Centre Atlantic and other Atlantic Provinces)</p>	<ul style="list-style-type: none"> <li>• Meetings are held monthly with representatives from 3 other Atlantic provinces concerning Canada Games Sports Science.</li> <li>• As with other Canadian Sport Centres across Canada including Atlantic Canada linkages have been developed with sports science service providers in areas such as sports nutrition, mental training and sports therapy (physiotherapy, massage and chiropractor).</li> <li>• Strategic discussions are also undertaken on how to target sports and athletes to further enhance opportunities for success at National Level.</li> </ul>

## OPPORTUNITIES AND CHALLENGES AHEAD

The NLSC faces a number of opportunities and challenges going forward.

### Opportunities:

#### Objective 1:

- Newfoundland and Labrador is scheduled to host the Canada Games in 2021. This provides the NL Sports Centre with the potential to serve as host venue which provides the opportunity for extra funding for facility and infrastructure upgrades.
- NLSC is currently undertaking fundraising efforts to support the extension of the PowerPlex and The Dr. Noel Browne HP Centre which will provide an opportunity for increased capacity for programming. Both the HP Program and the Active Kids Program would benefit from the extra space.

#### Objective 2:

- Hosting the Canada Summer Games will provide NL with the opportunity to emphasize the best possible preparation for Team NL and adherence to the HP

Program in an effort to achieve the province's best finish ever at a Canada Summer Games.

- A Canada Games Task Force was given the assignment of making recommendations for best possible performance and best practices for Team NL in 2021. The opportunity will be capitalizing on the recommendations as outlined by the Task Force.

## **Challenges:**

### Objective 1

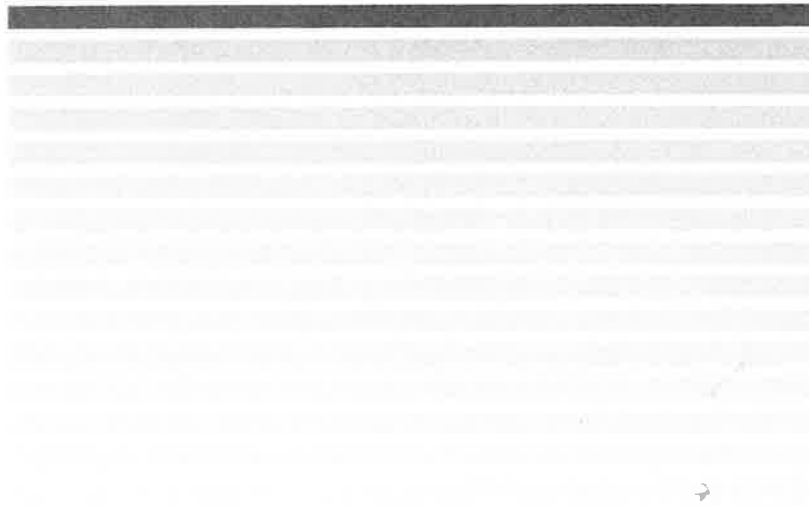
- With the construction on the NL Sports Centre in 2008, the facility will undergo frequent challenges with respect to aging infrastructure and equipment. Even at seven years of age, the clear span steel buildings like the NLSC are confronted with maintenance challenges such as mitigating water penetration in ever moving steel roof system. With respect to the challenges of equipment maintenance, it should be understood that the NLSC operates at near 100 per cent for most of the year, with significantly higher usage than similar facilities, and its equipment should be expected to have shorter life span. NLSC management and staff need to conduct regular inspections to ensure building and programs can perform at a high level without interruption.
- NLSC must continue to work with PSOs who are responsible for attracting major competitions to the facility. The ability of the Sports Centre to host events at all levels is contingent on its ability to maintain high standard facilities and equipment to ensure that PSOs are proactive in attracting major sporting events.

### Objective 2:

- Confirmation and subsequent implementation of the Canada Games Task Force recommendations will be important. A timely implementation of the recommendations will positively impact athlete performance and other sport outcomes identified by the Canada Games Task Force.
- Commitment of the PSOs to the Canada Games High Performance Program remains less than adequate; this jeopardizes the opportunity for HP Program to positively impact Canada Games Athletes. Compliance and commitment by PSOs with respect to the High Performance Program remains a major challenge to the success of the program.

**APPENDIX 1: AUDITED FINANCIAL STATEMENTS**

**NOSEWORTHY  CHAPMAN**  
CHARTERED ACCOUNTANTS



**NEWFOUNDLAND AND LABRADOR  
SPORTS CENTRE INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2015**

**CONTENTS**

Independent Auditors' Report.....	1
Statement of Financial Position.....	2
Statement of Operations and Accumulated Surplus.....	3
Statement of Changes in Net Financial Assets.....	4
Statement of Cash Flows.....	5
Notes to the Financial Statements.....	6-9



## INDEPENDENT AUDITORS' REPORT

To the Board of Newfoundland and Labrador Sports Centre Inc.

We have audited the accompanying financial statements of Newfoundland and Labrador Sports Centre Inc., which comprise the statement of financial position as at March 31, 2015, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the years then ended, and 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 public sector accounting standards, 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.

### ***Basis for Qualified Opinion***

In common with many not-for-profit organizations, Newfoundland and Labrador Sports Centre Inc. derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Newfoundland and Labrador Sports Centre Inc. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2015, current assets and net assets as at March 31, 2015.

### ***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Newfoundland and Labrador Sports Centre Inc. as at March 31, 2015 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.

  
Chartered Professional Accountants  
St. John's, NL  
June 8, 2015

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Statement of Financial Position Year Ended March 31, 2015

	2015	2014
<b>FINANCIAL ASSETS</b>		
Cash	\$ 327,373	\$ 247,777
Temporary investments	316,586	311,887
Accounts receivable	20,923	194,501
	<b>664,882</b>	<b>754,165</b>
<b>LIABILITIES</b>		
Payables and accruals (Note 4)	\$ 33,388	\$ 48,523
Government remittances payable	388	15,799
Deferred contributions (Note 5)	362,263	466,799
	<b>396,039</b>	<b>531,121</b>
<b>Net financial assets</b>	<b>268,843</b>	<b>223,044</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 6)	\$ 6,492,026	\$ 6,532,273
Prepaid expenses	3,848	6,174
	<b>6,495,874</b>	<b>6,538,447</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 6,764,717</b>	<b>\$ 6,761,491</b>
<b>Accumulated surplus comprised of:</b>		
<b>Unrestricted net assets</b>	<b>\$ 6,764,717</b>	<b>\$ 6,761,491</b>

On Behalf of the Board:


Chairperson

Director

## NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

### Statement of Operations and Accumulated Surplus Year Ended March 31, 2015

	Budget 2015 (Unaudited)	2015	2014
<b>REVENUES</b>			
Government grants	\$ 650,000	\$ 532,000	\$ 423,500
Rental	148,000	173,708	223,826
Miscellaneous	3,100	2,659	2,951
Donation	6,500	21,265	6,276
Interest	1,000	4,699	4,269
	808,600	734,331	660,822
<b>EXPENDITURES</b>			
Advertising and promotion	\$ 1,675	\$ 934	\$ 1,175
Amortization	-	192,334	190,668
Insurance	4,800	5,336	4,732
Interest and bank charges	185	172	189
Memberships	200	188	-
Miscellaneous	6,500	2,758	3,525
Office	6,500	3,490	4,316
Online booking maintenance	1,900	1,544	2,162
Professional fees	4,500	6,194	5,000
Property taxes	2,200	2,235	2,545
Rental	2,000	852	2,065
Repairs and maintenance	287,500	56,152	48,002
Salaries and wages	315,121	309,598	305,231
Security	1,700	1,158	1,094
Supplies	37,650	23,046	27,358
Telephone	1,600	860	1,879
Training	1,500	1,152	1,417
Utilities	126,550	121,171	119,701
Vehicles	1,500	1,931	1,436
	803,581	731,105	722,495
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 5,019	\$ 3,226	\$ (61,673)
Accumulated surplus, beginning of year		6,761,491	6,823,164
<b>Accumulated surplus, end of year</b>		<b>\$ 6,764,717</b>	<b>\$ 6,761,491</b>

## NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

### Statement of Changes in Net Financial Assets Year Ended March 31, 2015

	Budget 2015 (Unaudited)	2015	2014
Annual surplus (deficit)	\$ 5,019	\$ 3,226	\$ (61,673)
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	-	(152,087)	(15,771)
Amortization of tangible capital assets	-	192,334	190,668
	-	40,247	174,897
<b>Change in other non-financial assets</b>			
Net acquisition of prepaid expenses	-	2,326	353
	-	2,326	353
<b>Increase in net assets</b>	5,019	45,799	113,577
<b>Net financial assets, beginning of year</b>	223,044	223,044	109,467
<b>Net financial assets, end of year</b>	\$ 228,063	\$ 268,843	\$ 223,044

## NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

### Statement of Cash Flows Year Ended March 31, 2015

	2015	2014
<b>Operating transactions</b>		
Cash receipts from government and customers	\$ 777,837	\$ 672,122
Cash paid to suppliers and employees	(566,817)	(500,977)
Donations received	21,265	6,276
Interest received	4,269	5,792
Interest and bank charges paid	(172)	(189)
Cash provided by operating transactions	236,382	183,024
<b>Capital transactions</b>		
Purchase of capital assets	(152,087)	(15,771)
Cash used in capital transactions	(152,087)	(15,771)
<b>Increase in cash during year</b>	<b>84,295</b>	<b>167,253</b>
<b>Cash position, beginning of year</b>	<b>559,664</b>	<b>392,411</b>
<b>Cash position, end of year</b>	<b>\$ 643,959</b>	<b>\$ 559,664</b>
<b>Cash consists of:</b>		
Cash	\$ 327,373	\$ 247,777
Term deposits	316,586	311,887
	<b>\$ 643,959</b>	<b>\$ 559,664</b>

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Notes to the Financial Statements Year Ended March 31, 2015

### 1. NATURE OF OPERATIONS

Newfoundland and Labrador Sports Centre Inc. (the "organization") was incorporated under the Corporations Act of Newfoundland and Labrador on April 3, 2008. The organization is a Provincial Crown Corporation that provides a training centre for all sports available to the youth of the Province of Newfoundland and Labrador.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

These financial statements are prepared by management in accordance with generally accepted accounting principles for provincial reporting entities established by the Canadian Public Sector Accounting Board (PASB). The organization does not prepare a statement of re-measurement gains and losses as the organization does not enter into relevant transactions or circumstances that are addressed by that statement.

#### Financial instruments

The organization's financial instruments recognized in the statement of financial position consist of cash, receivables, temporary investments, payables and accruals, and government remittance payable. The organization generally recognizes a financial instrument when it enters into a contract which creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost. Transaction costs and any gains or losses arising from changes in fair value are recognized immediately in the statement of revenues and expenditures. Receivables are classified as loans and accounts payable are classified as other financial liabilities. Both are measured at amortized cost.

The organization's carrying value of cash, receivables, temporary investments, payables and accruals, and government remittance payable approximates its fair value due to the immediate or short term maturity of these instruments

#### Temporary investments

Temporary investments consist of guaranteed investment certificates with maturities of less than a year.

#### Capital assets

Capital assets are recorded on the Statement of Financial Position at cost and are amortized as follows:

Building	40 years	straight-line method
Equipment	5 years	straight-line method

Capital assets are written down when conditions indicate that they no longer contribute to the organization's ability to provide goods and services, or when the value of future economic benefits associated with the capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

---

## Notes to the Financial Statements Year Ended March 31, 2015

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Prepaid expenses

Prepaid expenses include amounts paid in advance for services, insurance, and workers compensation and are charged to expense over the periods expected to benefit from it.

#### Revenues

Government transfers with stipulations restricting their use are recognized as revenue when the transfer is authorized and the eligibility criteria are met by the organization, except when and to the extent the transfer gives rise to an obligation that constitutes a liability. When the transfer gives rise to an obligation that constitutes a liability, the transfer is recognized in revenue when the liability is settled.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Rental revenue is recognized on the accrual basis in accordance with the terms of the corresponding lease agreements.

Interest revenue is recognized on the accrual basis as earned.

Donation revenue is recognized when received.

#### Expenses

Expenses are reported on an accrual basis. The costs of all goods consumed and services received during the year are expensed.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions that affect the reporting amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

## NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

### Notes to the Financial Statements Year Ended March 31, 2015

#### 3. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2015.

##### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The organization has a significant number of customers which minimizes concentration of credit risk.

#### 4. PAYABLES AND ACCRUALS

	2015	2014
Accounts payable	\$ 19,762	\$ 19,129
Accrued liabilities	5,293	22,580
Accrued salary and benefits	8,333	6,814
	<b>\$ 33,388</b>	<b>\$ 48,523</b>

#### 5. DEFERRED CONTRIBUTIONS

Deferred contributions represent government transfers received with associated stipulations relating to specific projects or programs, resulting in a liability. These transfers will be recognized as revenue in the period in which the resources are used for the purpose specified.



## NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

### Notes to the Financial Statements Year Ended March 31, 2015

#### 6. CAPITAL ASSETS

	2015			
	Land	Building	Equipment	Total
<b>Cost</b>				
Opening balance	\$ 280,000	\$ 7,468,320	\$ 548,610	\$ 8,296,930
Additions	-	152,087		152,087
Closing balance	280,000	7,620,407	548,610	8,449,017
<b>Accumulated amortization</b>				
Opening balance	-	1,229,113	535,544	1,764,657
Amortization	-	187,979	4,355	192,334
Closing balance	-	1,417,092	539,899	1,956,991
Net book value	\$ 280,000	\$ 6,203,315	\$ 8,711	\$ 6,492,026
<b>2014</b>				
	Land	Building	Equipment	Total
<b>Cost</b>				
Opening balance	\$ 280,000	\$ 7,452,549	\$ 548,610	\$ 8,281,159
Additions	-	15,771		15,771
Closing balance	280,000	7,468,320	548,610	8,296,930
<b>Accumulated amortization</b>				
Opening balance	-	1,042,799	531,190	1,573,989
Amortization	-	186,314	4,354	190,668
Closing balance	-	1,229,113	535,544	1,764,657
Net book value	\$ 280,000	\$ 6,239,207	\$ 13,066	\$ 6,532,273

#### 7. BUDGET FIGURES

Budget figures have been provided for comparison purposes and have been derived from the estimates approved by the Board of Directors.

## APPENDIX 2: STRATGIC DIRECTIONS

Strategic Directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by Government through platform documents, Throne and Budget Speeches, policy documents, and other communiqués. The **Transparency and Accountability Act** requires departments and public bodies to take into account these Strategic Directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across Government and will ensure that all entities are moving forward on key commitments. Strategic Directions that are relevant to the Newfoundland and Labrador Sport Centre are:

Strategic Direction: Provide leadership and strengthen measures to support people in our province to adopt healthier lifestyles through wellness, including enhanced promotion and support for physical activity for children and youth.			
Focus Areas of the Strategic Direction	<b>This Direction is addressed by Newfoundland and Labrador Sport Centre:</b>		
	<b>Addressed in the Activity Plan</b>	<b>Addressed in the operational plan</b>	<b>Addressed in the Work Plan</b>
Healthy Living and Wellness	✓		
Seniors and Aging			
Children and Youth	✓	✓	✓