

**NEWFOUNDLAND AND LABRADOR  
SPORTS CENTRE INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

**CONTENTS**

	<u>Page</u>
Management's Report.....	1
Independent Auditors' Report.....	2 - 3
Statement of Financial Position .....	4
Statement of Operations and Accumulated Surplus .....	5
Statement of Changes in Net Financial Assets.....	6
Statement of Cash Flows .....	7
Notes to Financial Statements .....	8 - 13

## MANAGEMENT'S REPORT

### Managements Responsibility for Newfoundland and Labrador Sports Centre Inc. Financial Statements

The accompanying financial statements are the responsibility of the management of Newfoundland and Labrador Sports Centre Inc. and have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. Management is responsible for the integrity and objectivity of these statements, all the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls and exercises these responsibilities through participation in board meetings. The board members review internal financial statements on a quarterly basis and external audited financial statements on an annual basis.

Noseworthy Chapman as Newfoundland and Labrador Sports Centre Inc.'s appointed external auditors, have audited the financial statements. The auditor's report is addressed to the Board of Directors and appears on the following page. Their opinion is based upon examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and the results of the Newfoundland and Labrador Sports Centre Inc. in accordance with Canadian public sector accounting standards.

On behalf of the Newfoundland and Labrador Sports Centre Inc.



Board Chair



Executive Director

E103039-4896-002-7764.0EDCA1037148



---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Newfoundland and Labrador Sports Centre Inc.

*Opinion*

We have audited the financial statements of Newfoundland and Labrador Sports Centre Inc. (the organization), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with 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 ASNPO, 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 these financial statements.

*(continues)*



## Independent Auditor's Report to the Members of Newfoundland and Labrador Sports Centre Inc. (continued)

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 organization'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 organization'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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants  
St. John's, NL  
June 27, 2024

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Statement of Financial Position Year Ended March 31, 2024

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash	\$ 132,533	\$ 239,996
Temporary investments (Note 4)	645,369	467,547
Accounts receivable (net of allowance for doubtful accounts)	65,085	52,291
	<b>842,987</b>	759,834
<b>LIABILITIES</b>		
Payables and accruals (Note 5)	85,214	73,748
Government remittances payable	52,370	80,978
Deferred contributions (Note 6)	333,733	371,353
	<b>471,317</b>	526,079
<b>NET FINANCIAL ASSETS</b>	<b>\$ 371,670</b>	\$ 233,755
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	\$ 6,559,406	\$ 6,804,700
Prepaid expenses	18,015	7,374
	<b>6,577,421</b>	6,812,074
<b>ACCUMULATED SURPLUS</b>	<b>\$ 6,949,091</b>	\$ 7,045,829
Accumulated surplus comprised of:		
Unrestricted net assets	<b>\$ 6,949,091</b>	\$ 7,045,829

On Behalf of the Board:



Chairperson



Director

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Statement of Operations and Accumulated Surplus

Year Ended March 31, 2024

	Budget 2024 (Unaudited)	2024	2023
<b>REVENUES</b>			
Government grants	\$ 475,900	\$ 504,453	\$ 420,040
Rental	330,000	396,427	391,405
Interest	5,000	27,822	11,620
Miscellaneous	-	586	1,339
	810,900	929,288	824,404
<b>EXPENDITURES</b>			
Advertising and promotion	\$ 1,000	\$ 250	\$ 6,475
Amortization	250,889	252,289	250,889
Insurance	5,500	8,168	4,570
Interest and bank charges	250	270	210
Interest on promissory note	-	-	446
Memberships	510	910	504
Miscellaneous	4,200	967	2,828
Office	6,300	4,169	7,251
Online booking maintenance	2,700	2,803	1,652
Professional fees	7,310	7,590	6,767
Property tax	2,500	2,430	2,368
Repairs and maintenance	195,210	196,935	122,009
Salaries	395,018	382,051	381,619
Security	925	594	773
Supplies	44,400	23,774	24,331
Telephone	1,500	1,277	652
Training	2,400	1,310	809
Utilities	135,000	137,347	122,834
Vehicle	3,716	2,892	787
	1,059,328	1,026,026	937,774
<b>ANNUAL DEFICIT</b>	\$ (248,428)	\$ (96,738)	\$ (113,370)
Accumulated surplus, beginning of year		7,045,829	7,159,199
<b>Accumulated surplus, end of year</b>	<b>\$ 6,949,091</b>	<b>\$ 7,045,829</b>	

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Statement of Changes in Net Financial Assets

Year Ended March 31, 2024

	Budget 2024 (Unaudited)	2024	2023
Annual deficit	\$ (248,428)	\$ (96,738)	\$ (113,370)
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	-	<b>(6,995)</b>	-
Amortization of tangible capital assets	-	<b>252,289</b>	250,889
	-	<b>245,294</b>	250,889
<b>Change in other non-financial assets</b>			
Increase in prepaid expenses	-	<b>(10,641)</b>	(3,636)
	-	<b>(10,641)</b>	(3,636)
<b>Increase in net assets</b>		<b>137,915</b>	133,883
<b>Net financial assets, beginning of year</b>		<b>233,755</b>	99,872
<b>Net financial assets, end of year</b>	<b>\$ 371,670</b>	<b>\$ 233,755</b>	

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023
<b>Operating transactions</b>		
Cash receipts from government and customers	\$ 851,052	\$ 810,574
Cash paid to suppliers and employees	(801,250)	(660,172)
Interest received	27,822	11,620
Interest and bank charges paid	(270)	(656)
Cash from operating transactions	<u>77,354</u>	<u>161,366</u>
<b>Capital transactions</b>		
Purchase of capital assets	(6,995)	-
Cash used in capital transactions	<u>(6,995)</u>	<u>-</u>
<b>Financing transactions</b>		
Repayment of promissory note	-	(52,221)
Cash used in financing transactions	<u>-</u>	<u>(52,221)</u>
<b>Increase in cash during year</b>	<b>70,359</b>	109,145
<b>Cash position, beginning of year</b>	<b>707,543</b>	598,398
<b>Cash position, end of year</b>	<b>\$ 777,902</b>	\$ 707,543
<b>Cash consists of:</b>		
Cash	\$ 132,533	\$ 239,996
Temporary investments	645,369	467,547
	<u>\$ 777,902</u>	<u>\$ 707,543</u>

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

---

## Notes to the Financial Statements

March 31, 2024

### 1. GENERAL

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

The organization is classified as an Other Government Organization as defined by Canadian Public Sector Accounting Standards (PSAS). 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 (PSAB). 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.

#### Cash

Cash includes cash in bank and balances with financial institutions, net of overdrafts.

#### Temporary investments

Temporary investments consist of guaranteed investment certificates with maturities of less than a year, and high-interest savings accounts.

#### Tangible capital assets

Tangible capital assets are recorded on the Statement of Financial Position at cost less accumulated amortization. They are amortized as follows:

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

Tangible 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 tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

#### Impairment of long-lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. Impaired assets are recorded at fair value, determined principally using discounted future cash flows expected from their use and eventual disposition.

#### 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.

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

---

## Notes to the Financial Statements

March 31, 2024

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

#### Non-financial assets

Non-financial assets are not available for discharge to existing liabilities and are held for use in the provision of services. They have useful lives generally extending beyond the current year and are not intended for sales in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenditures, provides the change in net financial assets for the year.

#### Financial instruments

The organization's financial instruments recognized in the statement of financial position consist of cash, temporary investments, accounts receivable, payables and accruals, government remittances payable and promissory note 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. 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, temporary investments, accounts receivable, payables and accruals, government remittances payable and promissory notes payable approximates its fair value due to the immediate or short term maturity of these instruments.

Interest attributable to financial instruments is reported on the statement of operations.

#### Deferred contributions

Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the delivery of specific services in transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred, services are performed or when stipulations are met.

#### 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. Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Interest revenue is recognized on the accrual basis as earned.

Donation revenue is recognized when received.

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

---

## Notes to the Financial Statements

March 31, 2024

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

#### Expenditures

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

#### Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

#### 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. Items requiring the use of significant estimates include the expected future life of tangible capital assets.

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.

### 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, 2024.

#### ***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.

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Notes to the Financial Statements

March 31, 2024

### 4. TEMPORARY INVESTMENTS

	2024		2023	
	Fair value	Cost	Fair value	Cost
Money Market Mutual Funds, Corporate Investing Savings Account	\$ 645,369	\$ 645,369	\$ 313,149	\$ 313,149
Guaranteed Investment Certificates, at an annual rate of 3.85% matured June 27, 2023	-	-	154,398	150,000
	<b>\$ 645,369</b>	<b>\$ 645,369</b>	<b>\$ 467,547</b>	<b>\$ 463,149</b>

### 5. PAYABLES AND ACCRUALS

	2024		2023	
Accounts payable	\$ 54,498		\$ 45,921	
Accrued liabilities	30,716		27,827	
	<b>\$ 85,214</b>		<b>\$ 73,748</b>	

### 6. 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 and the liability is settled.

# NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

## Notes to the Financial Statements

March 31, 2024

### 7. TANGIBLE CAPITAL ASSETS

					2024
	Land	Building	Equipment	Total	
<b>Cost</b>					
Opening balance	\$ 280,000	\$ 9,845,698	\$ 572,344		<b>\$ 10,698,042</b>
Additions	-	-	6,995		<b>6,995</b>
Disposals	-	-	-		-
Closing balance	280,000	9,845,698	579,339		<b>10,705,037</b>
<b>Accumulated amortization</b>					
Opening balance	-	3,330,493	562,849		<b>3,893,342</b>
Amortization	-	246,143	6,146		<b>252,289</b>
Disposals	-	-	-		-
Closing balance	-	3,576,636	568,995		<b>4,145,631</b>
Net book value	\$ 280,000	\$ 6,269,062	\$ 10,344		<b>\$ 6,559,406</b>
					2023
	Land	Building	Equipment	Total	
<b>Cost</b>					
Opening balance	\$ 280,000	\$ 9,845,698	\$ 572,344		<b>\$ 10,698,042</b>
Additions	-	-	-		-
Disposals	-	-	-		-
Closing balance	280,000	9,845,698	572,344		<b>10,698,042</b>
<b>Accumulated amortization</b>					
Opening balance	-	3,084,350	558,103		<b>3,642,453</b>
Amortization	-	246,143	4,746		<b>250,889</b>
Disposals	-	-	-		-
Closing balance	-	3,330,493	562,849		<b>3,893,342</b>
Net book value	\$ 280,000	\$ 6,515,205	\$ 9,495		<b>\$ 6,804,700</b>

## **NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**

---

### **Notes to the Financial Statements**

**March 31, 2024**

#### **8. RELATED PARTY TRANSACTIONS**

The organization received an annual operating grant from the Government of Newfoundland and Labrador in the amount of \$426,900 (2023 - \$411,600). The organization also received special purpose grants from the Government of Newfoundland and Labrador totaling \$54,000 (2023 - \$23,000) of which \$54,000 is deferred.

#### **9. BUDGET FIGURES**

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

#### **10. CHANGE IN ACCOUNTING POLICY**

On April 1, 2023, the Organization adopted the amendments to Section 3400, Revenue of the Public Sector Accounting Handbook pertaining to certain revenue transactions. The standard makes a distinction between transactions that include performance obligations and those that do not include a performance obligation.

The Organization applied this change in accounting policy prospectively. There was no impact of the adoption of the amendments as at and for the year ended March 31, 2024 or for prior periods.