

# **Newfoundland and Labrador Sports Centre**

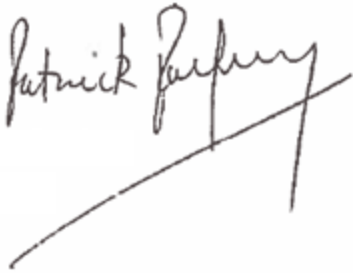
Annual Report 2019-20



# 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 2019-20. 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 within this document.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Parfrey". The signature is written in a cursive style with a long, sweeping underline that extends to the left and then curves back up towards the end of the signature.

Dr. Patrick Parfrey  
Chair

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## Entity Overview

### Organizational Structure

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 Tourism, Culture, Arts and Recreation (TCAR). The NLSC 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 in 2019-20; three full-time permanent, six part-time permanent and six part-time temporary.

The indoor training facility, known as The PowerPlex, provides athletes with access to a combat room, locker and shower rooms and a 2,944 square metre (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 PowerPlex was expanded in 2016 to include a 70' x 70' artificial sports turf area, which has been named Benvon's Room.

The high performance centre, known as the Dr. Noel Browne HP 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 with many of North America's professional sports teams' facilities. The Dr. Noel Browne HP Centre was also expanded in 2016 to double the size of the strength and conditioning area known as Riley's Room from 2500 sq. ft. to 5000 sq. ft.

The NLSC is managed by a Board of directors appointed by the Lieutenant-Governor in Council. The Board of directors is comprised of 13 members: chairperson, six

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representatives appointed by Government and six Board members, drawn from a range of the sport and recreation community and who have far-reaching experience in the field.

The annual expenditure for the NLSC fiscal year April 1, 2019 to March 31, 2020 was \$861,077.

<b>Expenditure Type</b>	<b>Total Amount</b>
Advertising and promotion	\$91
Amortization	\$246,143
Bad Debt	0
Insurance	\$3,849
Interest and bank charges	\$973
Memberships	\$466
Miscellaneous	\$2,361
Office	\$880
Online booking maintenance	\$1,697
Professional fees	\$5,913
Property taxes	\$2,219
Interest on promissory notes	\$5,939
Repairs and maintenance	\$68,766
Salaries and wages	\$361,499
Security	\$1,235
Supplies	\$29,337
Telephone	\$1,024
Training	\$1,315
Utilities	\$124,042
Vehicles	\$3,328
<b>Total</b>	<b>\$861,077</b>

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(Please see Financial Information section: NLSC Audited Financial Statements March 31, 2020).

At the end of this reporting period, March 31, 2020, the Board consisted of one vacancy and the following twelve members:

Chairperson	Dr. Patrick Parfrey, Order of Canada
Members	Tanya Haywood, City of St. John's
	Jamie Korab, City of St. John's
	Tom Godden, Sport Newfoundland and Labrador
	Brian Walsh, Sport Newfoundland and Labrador
	Dennis Clarke, Swilers Rugby Club
	Dr. Noel Browne, Swilers Rugby Club
	Andrew Bruce, Community Representative
	Sheena McCrate, Community Representative
	Winston Jenkins, Community Representative
	Roger Head, Community Representative
	Deputy Minister, Susan Walsh or Designate, Department of Children, Seniors and Social Development, Government of Newfoundland and Labrador

For more information on the NLSC, please contact:

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## Highlights and Partnerships

### Highlights

The NLSC has three primary lines of business: the operation of the NLSC; athlete development; and training and sport event hosting. In 2019-20, the NLSC has had many successes and highlights within these lines of business, including:

- In 2016-17, an expansion project was completed, which included the addition of a 7500 sq. ft artificial sports turf area known as Benvon's Room and an additional 2500 sq. ft. of strength and conditioning space added to the Dr. Noel Browne High Performance Centre. The expansion has addressed capacity issues and the new spaces resulted in \$54,234 in revenue for 2019-20 in the high performance centre, up from \$49,024 in 2018-19.
- The expansion to the strength and conditioning space known as Riley's Room has resulted in increased capacity, with peak time users increased from 40-50 athletes a day to 70-80 athletes per day on a more consistent basis. The expanded space has resulted in the province's top athletes having access to a larger and higher quality training space.
- The NLSC maintained its participant visits per year in 2019-20 at 250,000+ visits. Participants were from a range of sports including athletics, basketball, rugby, soccer, volleyball, baseball, softball, ultimate, cheerleading, wrestling, karate, judo, jiu jitsu and football. The increase in participant visits is a result of new programming areas and expanded facilities, most notably through the high performance program and extra training space. These numbers reflect participant visits only from regular usage and special events and do not include spectator visits.
- The NLSC's Active Start Program continues to have high participation numbers year round. Active Start is an inclusive children's physical activity/physical literacy program offered to the broader community at no cost. In coordination with the NL Rugby Union, Active Start brings together individuals from all walks of life, in an



effort to give young children “no cost” access to quality physical activity and physical literacy development opportunities.

- In an effort to support not for profit charities such as Easter Seals NL, Dr. H. Bliss Murphy Cancer Care Foundation, and the Heart and Stroke Foundation NL to deliver physical activity related fundraisers, the NLSC makes its facilities available at a not-for-profit rate, which makes it feasible to run events in line with the NLSC’s objectives.
- For the third consecutive year, the NLSC became the primary training and practice facility for the National Basketball League’s St. John’s Edge.
- The NLSC hosted the 2019 CanAm Championships for ITO-TAO (Taekwondo). Athletes from across the country, including national team coaches and athletes participated in the event. Teams and athletes from the US, Japan, Argentina, Japan and Malaysia also attended.
- The NLSC helped the City of St. John’s by playing host to National Child Day’s “Move It” event including fun free physical activities open to the community.
- The NLSC performed well in 2019-20, in spite of the COVID-19 Public Health Emergency forcing the closure and cancellation of all NLSC facilities and programs from March 13, 2020 onward.

## Partnerships

The NLSC works with a number of groups to administer its programs, including:

City of St. Johns:

- The City of St. John’s utilizes space at the NLSC during the lunchtime period from Monday to Friday, to provide physical activity classes and inclusive sports activities for employees.
- The City’s Employee Wellness program shares the NLSC’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 Start program aligns with the Provincial Government's commitment to increase physical activity rates.
- The NLSC's Active Start program is a shared commitment with the City of St. John's. The City's goal is to encourage and help facilitate residents to lead healthy and active lifestyles by ensuring the availability of leisure programs and services that are inclusive and accessible. The NLSC's Active Start Program helps to meet this goal.
- The NLSC manages and schedules the sports fields at RCAF Road and the City assists with general maintenance of the fields including cutting, lime and fertilizer.

NL Cardiac Rehabilitation Association (NLCRA):

- The NLCRA operates a walking program at The PowerPlex that accommodates 100+ recuperating cardiac surgery patients, three days per week year round. This partnership allows the NLSC to provide the opportunity for the NLCRA clients, who are mostly 65 years of age and older, to gain access to quality recreation spaces to increase physical activity levels and engage in a supervised exercise program.

NL Rugby Union (NLRU):

- The NLRU, in partnership with the NLSC, delivers the Active Start program as a function of the first stage of the Long Term Athlete Development model. Active Start targets the development of fundamental movement skills in pre-school aged children.
- Active Start is a no cost program, offered two times per week, year round. The program regularly attracts 100 to 200 (winter months) children per session and offers opportunities for participation in physical activity and physical literacy in young children.

Royal Newfoundland Constabulary (RNC), Canada Border Services Agency, Department of Fisheries and Oceans and Department of Justice and Public Safety (JPS):

- The RNC, Adult Corrections, JPS and various justice-related organizations utilized the NLSC as their main facility for training and recruitment.

- Physical Abilities Requirement Evaluation of recruits and basic cadet training (from use of force training to marching drills to graduation ceremony preparation), are significant pieces of programming for the NLSC during non-prime time hours.

Health Care-Related Charitable Not-for-Profit Organizations:

- Includes organizations such as Heart and Stroke Foundation NL, Easter Seals NL and the Dr. H. Bliss Murphy Cancer Care Foundation.
- The NLSC fosters and promotes a relationship with these health-related charitable organizations to support the delivery of fundraising events and activities that are sport, recreation and physical activity related.

## Report on Performance

The NLSC operated at high usage levels 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. While equipment and infrastructure assessments are regularly done, 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 conducted to ensure the day-to-day function of the NLSC, including the hosting of sporting events, is not compromised.

The NLSC's High Performance Program (HP Program) endeavors 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, PowerPlex gymnasium and the combative room at the NLSC for program delivery. The HP Program can also offer athletes access to specialized 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.

The following represents the NLSC board's activities in support of our objectives for fiscal year 2019-20. Three objectives were identified in NLSC's 2017-20 Activity Plan and these are reported on herein.

### Objective #1

By March 31, 2020, the NLSC will have supported the provision of a high quality, state-of-the-art training facility for Newfoundlanders and Labradorians.

### Indicators and Activities

As of March 31, 2020, the NLSC had undertaken the following activities:

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Indicators - Planned for 2019-20	Actual Performance for 2019-20
Hosted sports events at all levels.	<p>In 2019-20, the NLSC has hosted sports events at all levels, as is demonstrated below:</p> <ul style="list-style-type: none"> <li>• Events hosted at the NLSC at the provincial and regional levels included:               <ol style="list-style-type: none"> <li>1. Provincials – Newfoundland and Labrador Basketball Association (NLBA) junior and senior, Newfoundland and Labrador Volleyball Association (NLVA), Judo, Karate, Cheerleading.</li> <li>2. Regional events – hosted Avalon Region, Karate NL, NLBA and NLVA events.</li> <li>3. High School events for NLVA, NLBA and Ultimate</li> <li>4. Health and fitness events for the following not for profit charities: Easter Seals NL, Dr. H. Bliss Murphy Cancer Care Foundation, Heart and Stroke Foundation NL.</li> </ol> </li> <li>• Events hosted at the NLSC at the national and regional levels included:               <ol style="list-style-type: none"> <li>1. Nationals/International Events – June 2019, CanAm Taekwondo ITO-ATO International Championships,</li> <li>2. National Child Day hosted by the City of St. John's.</li> </ol> </li> <li>• It is noted that events at the national and international level, for most sports, are cyclical in nature and there can be 5-10 years between hosting opportunities. It is reasonable to have some years without hosting national or international competition.</li> </ul>

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Indicators - Planned for 2019-20	Actual Performance for 2019-20
<p>Undertaken an equipment and infrastructure assessment to appropriately plan for future requirements.</p>	<p>In 2019-20, the NLSC has continued undertaking equipment and infrastructure assessments to appropriately plan for future requirements, as demonstrated below. Equipment and infrastructure assessment, planning and implementation included:</p> <ol style="list-style-type: none"> <li>1. Completed full upgrade and replacement of all fluorescent lamps and ballasts on exterior of NLSC. Change from florescent to LED lights and fixtures will provide significant savings in future energy costs.</li> <li>2. After reassessment of HVAC motor rebuild anticipated for 2019-20, it was determined that, as a result of regular quality maintenance, the motor and unit was functioning well and rebuild was postponed for reassessment in 2020-21.</li> <li>3. Landscaping was completed in entrance area of newest addition, Benvon's Room, which included new paved walkway</li> <li>4. In The PowerPlex, an assessment was completed on bleacher systems, ceiling suspended basketball nets and curtains. Maintenance was performed where necessary and all equipment was functioning properly.</li> </ol>
<p>Conducted a policy review to ensure policies are relevant and up to date.</p>	<p>The NLSC continually reviews policies and identifies gaps at user, staff and management levels to be brought forward for consideration by NLSC Board. In 2019-20 this work included:</p>

Indicators - Planned for 2019-20	Actual Performance for 2019-20
	<ul style="list-style-type: none"> <li>• Updating policies around Criminal Record Checks and Criminal Record Screening Checks. This policy review was completed in an effort to be aligned with other GNL departments and entities and at the same time developing a policy that was specific to NLSC operations. RNC Staff undertook presentation to NLSC Board regard appropriate use of Criminal Record Screening Checks.</li> <li>• NLSC Strength and Conditioning Staff required to be Safe Sport Compliant in line with Canadian Sports Centre Atlantic (CSCA) requirements. Compliance includes completion of Commit to Kids (C2K), Respect in Sport for Activity Leaders (RiS), Make Ethical Decisions (MED) and Criminal Record Check</li> <li>• Work continues for the further development and implementation of policies specific to NLSC operations.</li> </ul>

**Objective #2**

By March 31, 2020, the NLSC will have provided programming support for the elite and High Performance athletes of Newfoundland and Labrador.

**Indicators and Activities**

As of March 31, 2020, the NLSC has undertaken the following activities:

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<b>Indicators - Planned for 2019-20</b>	<b>Actual Performance for 2019-20</b>
<p>Targeted Teams and Athletes active in HP Program.</p>	<p>In 2019-20, the NLSC High Performance Program began (March 2019), the first of a two-year preparation phase for the 2022 Canada Summer Games in Niagara Region, Ontario. As part of the program, the NLSC has targeted teams and athletes for increased access to high performance services such as Strength and Conditioning, Sports Nutrition and Mental Training Specialists, as demonstrated below:</p> <ul style="list-style-type: none"> <li>• Targeting of Canada Games teams and athletes, was determined by consultation with provincial sport organizations (PSO) and coaching staff in combination with an emphasis on placement and performance at most recent National Championships.</li> <li>• As of March 31, 2020, eleven of 21 teams participated in the Canada Games High Performance Program. These teams had varying degrees of compliance.</li> <li>• The NLSC's HP Program also provided and coordinated services to 12 Podium, Canadian Elite and Canadian Development athletes as identified by Sport Canada and CSCA from a wide range of sports. These services included access to facilities, strength and conditioning specialists, mental training and sports nutrition consultants.</li> </ul>
<p>Provision of a facility with necessary equipment and infrastructure for HP training.</p>	<p>In 2019-20, the NLSC ensured the provision of a facility with the necessary equipment and infrastructure for HP</p>



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Indicators - Planned for 2019-20	Actual Performance for 2019-20
	<p>training through the undertaking of the activities outlined below:</p> <ul style="list-style-type: none"> <li>• The NLSC continually renews and upgrades equipment for HP training as necessary. Given the high levels of usage, equipment such as foam rollers, bands, medicine balls, weighted vests and Total Body Resistance Exercise (TRX) systems are replaced as needed and upgraded as new equipment enters market. Decisions to renew and upgrade are based on procedural and visual inspection, and the necessary replacements and upgrades were completed in 2019-20.</li> <li>• NLSC staff ensured scheduling of use by teams is appropriate to spatial limitations of training facilities.</li> </ul>
<p>Established linkages with HP Sport partners. (Canadian Sports Centre Atlantic and other Atlantic Provinces)</p>	<p>In 2019-20, the NLSC established linkages with HP Sport Partners:</p> <ul style="list-style-type: none"> <li>• Meetings were held monthly with representatives from three other Atlantic provinces as it relates to sport science supports for Canada Games and provincial athletes and teams.</li> <li>• As with other Canadian Sport Centres across Canada, including Atlantic Canada, linkages were developed with sport science service providers in areas such as sports nutrition, mental training and rehabilitation professionals (Physiotherapy, Massage and Chiropractic).</li> <li>• Strategic discussions between CSCA, Sport NL and the GNL's Healthy Living, Sport and Recreation</li> </ul>

Indicators - Planned for 2019-20	Actual Performance for 2019-20
	Division are providing direction and planning on how to best support PSO's, teams and athletes to further enhance opportunities for success at National level.

### Objective #3

By March 31, 2020, the NL Sports Centre will have provided opportunity for community oriented activities in non-prime time hours that promote physical activity outside organized sport.

### Indicators and Activities

As of March 31, 2020, the NLSC has undertaken the following activities:

Indicators - Planned for 2019-20	Actual Performance for 2019-20
Target organizations that support and deliver healthy active living programs to promote physical activity and recreation opportunities through the NLSC.	<p>In 2019-20, the NLSC targeted:</p> <ul style="list-style-type: none"> <li>• Cardiac rehabilitation organizations to determine the suitability of NLSC facilities for programming.</li> <li>• Newfoundland and Labrador Cardiac Rehabilitation Association (NLCRA) to continue its association with the NLSC and its participation rates are at their highest.</li> <li>• Pre-school aged children in partnership with the NL Rugby Union and the City of St. John's to offer a no-cost Active Start program. This program offers pre-school aged children the opportunity to undertake physical activity throughout the year, but most</li> </ul>

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Indicators - Planned for 2019-20	Actual Performance for 2019-20
	importantly in the winter months when opportunities for physical activity can be most challenging.
<p>Provided facility access and equipment to support and deliver healthy active living initiatives.</p>	<p>In 2019-20, the NLSC provided:</p> <ul style="list-style-type: none"> <li>• Gymnasium space for walking and physical activity for the NLCRA.</li> <li>• Access for not for profit entities such as Key Assets, Choices for Youth and First Light Friendship Centre to undertake programs to help vulnerable youth, challenged families and indigenous persons in a recreation environment.</li> <li>• Gymnasium space for NLESD school activity and sports days.</li> <li>• Meeting space for various community groups.</li> <li>• The Active Start program users with access to high quality gymnasium and sports turf for running, jumping, throwing and tumbling. Included with these areas to be physically active is the use of sports equipment and large foam shapes for active play and tumbling.</li> </ul>

## Opportunities and Challenges

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

### **Opportunities:**

The NLSC is committed to support the provision of a high quality, state-of-the-art training facility for Newfoundlanders and Labradorians:

- Newfoundland and Labrador is scheduled to host the Canada Summer Games in 2025. The City of St. John's has expressed an intent to bid on the 2025 Games, which provides the NLSC with the potential to serve as a competition venue, providing a significant opportunity for alignment with high performance sport objectives of NLSC.
- The NLSC, with the addition of the two new expansions in 2017, has an opportunity for further programming and new growth. These new spaces will continue to provide increased capacity for programming and revenue. The HP Program, various provincial sport organizations and the Active Start program will benefit from the extra space.

NLSC will provide programming support for elite and high performance athletes of Newfoundland and Labrador:

- With only the CanAm Taekwondo Championships hosted in 2019 at the NLSC, an opportunity exists for provincial sport organizations to attract major competitions in the next number of years as part of the normal cycles for hosting national events. In addition, the successful award of the 2025 Canada Games to St. John's will mean multiple National Championships in various summer sports in the lead up to the 2025 Games.
- Given that Canada Games athletes are in preparation cycles for the 2021 Canada Summer and the 2023 Canada Winter Games, opportunities exist for the NLSC to oversee increased engagement provincial sport organizations, coaches and athletes in high performance training programs.
- The formation of the Sports Excellence Committee through the leadership of the Division of Sport and Recreation, TCAR, is a major opportunity for the NLSC's High

Performance Program and the Province's athletes as they prepare for best performance in the 2025 Canada Games in NL.

NLSC will provide opportunity for community oriented activities in non-prime time hours that promote physical activity outside organized sport.

- Though many of the NLSC non-prime time hours (Monday to Friday, 8:00am to 3:00pm, October to June) are used for sport specific activity and for training space for various groups, there are remaining hours that can be maximized to support community healthy living related initiatives. Maximizing non-prime time usage will provide an opportunity for increased revenue to assist operating costs and capital improvements.

**Challenges:**

NLSC will provide a high quality, state-of-the-art training facility for Newfoundlanders and Labradorians:

- The NLSC performed well in 2019-20 in spite of the COVID-19 Public Health Emergency, forcing the closure and cancellation of all NLSC facilities and programs from March 2020 to July 2020 when the Province of NL moved to Alert Level 2 allowing the resumption of some indoor sports activities. Though some activities have resumed at a small percentage of a typical 100 per cent capacity, significant challenges remain for safe resumption of normal NLSC Programming.
- With the NLSC entering its 11<sup>th</sup> year of operation, the facility may be faced with challenges that arise, as it relates to aging infrastructure and equipment. NLSC management and staff need to continue regular inspections and reviews to ensure buildings, systems and programs can perform at a high level without interruption.
- The NLSC staff and Board will need to continue to effectively manage the operation of the NLSC, including repair and maintenance requirements to ensure that the NLSC operates within budget. Maintenance requirements as the facility ages may create pressures on annual operating costs, which will have to be considered in long-term budget forecasts.

NL Sports Centre will provide programming support for the elite and high performance athletes of Newfoundland and Labrador:

- The NLSC is equipped and designed to support and optimize the physical preparation of athletes who represent the province on a national level and at Canada Games. Efforts to engage PSOs and provincial team programs in the NLSC high performance program need to continue to ensure that all athletes that represent the province are physically prepared to compete at the highest level. The NLSC High Performance Program acknowledges that challenges exist for some PSO's with respect to, but not limited to, athlete availability, geography and general commitment as obstacles to participation in then program. Increased engagement with PSOs and other key stakeholders will be done to ensure the benefit and opportunity for athletes to be physically trained and prepared to compete at the highest level is realized, given that the NLSC is well positioned to support athletes to reach their full potential.

NLSC will provide opportunity for community-oriented activities in non-prime time hours that promote physical activity outside organized sport.

- Newfoundland and Labrador has higher rates of obesity and lower rates of physical activity, when compared to national rates. Engaging health care and social wellness programs to make physical activity a priority, remains a challenge and finding innovative solutions to identified barriers such as cost, transportation and human resources will continue to be explored.

# Financial Information

**NEWFOUNDLAND AND LABRADOR  
SPORTS CENTRE INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2020**

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**NOSEWORTHY CHAPMAN**

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Newfoundland and Labrador Sports Centre Inc.

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, 2020, and the statements of operations and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, 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.

**Basis for Qualified Opinion**

In common with many not-for-profit organizations, the Organization 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 the Organization, therefore, we were not able to determine whether any adjustments might be necessary to donations revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2020, current assets and net assets as at March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

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

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating 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. 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  
September 24, 2020

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Statement of Financial Position  
Year Ended March 31, 2020**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash	\$ 282,091	\$ 289,900
Temporary investments	104,489	102,781
Accounts receivable	24,343	18,365
	<b>410,923</b>	<b>411,046</b>
<b>LIABILITIES</b>		
Payables and accruals (Note 4)	56,988	52,844
Deferred contributions (Note 5)	409,579	446,638
Government remittances payable	14,214	16,431
Promissory note payable (Note 6)	104,442	157,800
	<b>585,223</b>	<b>673,713</b>
<b>Net financial liabilities</b>	<b>\$ (174,300)</b>	<b>\$ (262,667)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 7)	\$ 7,533,633	\$ 7,779,776
Prepaid expenses	3,953	3,543
	<b>7,537,586</b>	<b>7,783,319</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 7,363,286</b>	<b>\$ 7,520,652</b>
<b>Accumulated surplus comprised of:</b>		
<b>Unrestricted net assets</b>	<b>\$ 7,363,286</b>	<b>\$ 7,520,652</b>

On Behalf of the Board:


Chairperson

Director

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Statement of Operations and Accumulated Surplus  
Year Ended March 31, 2020**

	Budget 2020 (Unaudited)	2020	2019
<b>REVENUES</b>			
Government grants	\$ 413,600	\$ 411,600	\$ 413,171
Rental	247,143	289,646	291,228
Donations	-	100	1,116
Interest	1,250	1,707	1,528
Miscellaneous	1,250	658	766
	663,243	703,711	707,809
<b>EXPENDITURES</b>			
Advertising and promotion	\$ 600	\$ 91	\$ 541
Amortization	246,037	246,143	246,142
Bad debt	-	-	759
Insurance	5,658	3,849	4,495
Interest and bank charges	175	973	1,224
Interest on promissory notes	7,000	5,939	9,300
Memberships	600	466	204
Miscellaneous	3,000	2,361	2,501
Office	3,000	880	2,805
Online booking maintenance	2,100	1,697	2,024
Professional fees	5,758	5,913	5,875
Property taxes	2,500	2,219	2,230
Repairs and maintenance	93,277	68,766	81,819
Salaries and wages	354,200	361,499	341,577
Security	900	1,235	1,193
Supplies	24,059	29,337	31,734
Telephone	1,290	1,024	745
Training	1,400	1,315	837
Utilities	130,000	124,042	125,160
Vehicles	2,000	3,328	1,839
	883,554	861,077	863,004
<b>ANNUAL DEFICIT</b>	\$ (220,311)	\$ (157,366)	\$ (155,195)
Accumulated surplus, beginning of year		7,520,652	7,675,847
<b>Accumulated surplus, end of year</b>		\$ 7,363,286	\$ 7,520,652

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Statement of Changes in Net Financial Assets  
Year Ended March 31, 2020**

	Budget 2020 (Unaudited)	2020	2019
Annual deficit	\$ (220,311)	\$ (157,366)	\$ (155,195)
<b>Changes in tangible capital assets</b>			
Amortization of tangible capital assets	-	246,143	246,142
	-	246,143	246,142
<b>Change in other non-financial assets</b>			
Net acquisition of prepaid expenses	-	(410)	805
	-	(410)	805
<b>Increase in net financial assets</b>		88,367	91,752
<b>Net financial liabilities, beginning of year</b>		(262,667)	(354,419)
<b>Net financial liabilities, end of year</b>		\$ (174,300)	\$ (262,667)

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Statement of Cash Flows**  
**Year Ended March 31, 2020**

	2020	2019
<b>Operating transactions</b>		
Cash receipts from government and customers	\$ 658,867	\$ 744,486
Cash paid to suppliers and employees	(606,505)	(482,479)
Donations received	100	1,116
Interest received	1,707	1,528
Interest and bank charges paid	(6,912)	(10,524)
Cash provided by operating transactions	47,257	254,127
<b>Financing transactions</b>		
Repayment of promissory note	(53,358)	(92,200)
Cash used in financing transactions	(53,358)	(92,200)
<b>Increase (decrease) in cash during year</b>	<b>(6,101)</b>	<b>161,927</b>
<b>Cash position, beginning of year</b>	<b>392,681</b>	<b>230,754</b>
<b>Cash position, end of year</b>	<b>\$ 386,580</b>	<b>\$ 392,681</b>
<b>Cash consists of:</b>		
Cash	\$ 282,091	\$ 289,900
Temporary investments	104,489	102,781
	<b>\$ 386,580</b>	<b>\$ 392,681</b>

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Notes to the Financial Statements  
Year Ended March 31, 2020**

## 1. GENERAL AND COVID-19

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.

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the organization or its clients, employees, contractors, suppliers, and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the organization's business, the continued spread of COVID-19 and the measures taken by the federal, provincial and municipal governments to contain its impact could adversely impact the organization's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the organization's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

## 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.

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.

Prepaid expenses

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Notes to the Financial Statements****March 31, 2020**

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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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, HST receivable/payable, accounts receivable, payables and accruals and promissory notes payable approximates its fair value due to the immediate or short term maturity of these instruments.

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.

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.

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Notes to the Financial Statements  
March 31, 2020**

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

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.

## 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, 2020.

## 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

	2020	2019
Accounts payable	\$ 1,198	\$ 35,050
Accrued liabilities	55,790	17,794
	<b>\$ 56,988</b>	<b>\$ 52,844</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 and the liability is settled.



**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**

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**Notes to the Financial Statements  
March 31, 2020**

6. PROMISSORY NOTE PAYABLE

Promissory note payable to a private individual in the amount of \$104,442 (2019 - \$157,800), bearing interest at prime plus 0.5% annually with monthly interest payments.

Principal repayment terms in respect of the promissory note to a private individual are as noted below:

- Payment of the amount of funding received from the Government of Newfoundland and Labrador allocated solely for the extension to the Centre and the Benvon's Room.
- Payment of the HST rebate received on the extension to the Centre and the Benvon's Room.
- Annual payment of the income received from the rental of the Benvon's Room to a maximum of the Centre's Adjusted Annual Surplus (calculated as the annual surplus per the Statement of Operations and Accumulated Surpluses plus annual amortization expense)
- Additional principal payments at the discretion of the Board.

**NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.****Notes to the Financial Statements****March 31, 2020**

## 7. TANGIBLE CAPITAL ASSETS

	<b>2020</b>			
	Land	Building	Equipment	Total
<b>Cost</b>				
Opening balance	\$ 280,000	\$ 9,845,698	\$ 548,610	\$ 10,674,308
Additions	-	-	-	-
Closing balance	280,000	9,845,698	548,610	10,674,308
<b>Accumulated amortization</b>				
Opening balance	-	2,345,922	548,610	2,894,532
Amortization	-	246,143	-	246,143
Closing balance	-	2,592,065	548,610	3,140,675
Net book value	\$ 280,000	\$ 7,253,633	\$ -	\$ 7,533,633
	<b>2019</b>			
	Land	Building	Equipment	Total
<b>Cost</b>				
Opening balance	\$ 280,000	\$ 9,845,698	\$ 548,610	\$ 10,674,308
Additions	-	-	-	-
Closing balance	280,000	9,845,698	548,610	10,674,308
<b>Accumulated amortization</b>				
Opening balance	-	2,099,780	548,610	2,648,390
Amortization	-	246,142	-	246,142
Closing balance	-	2,345,922	548,610	2,894,532
Net book value	\$ 280,000	\$ 7,499,776	\$ -	\$ 7,779,776



