
Newfoundland and Labrador Sports Centre

Annual Report

2018-19

Please Note: This document follows:

- In accordance with **Clear Print Accessibility Guidelines** (Canadian National Institute for the Blind). Italics or upper-case letters have not been used for the titles of act, titles, sub-titles or for emphasis. Bold fonts of medium heaviness as recommended have been used instead.
- Government of Newfoundland Labrador's Accessible Communications Policy in which clear/plain language, accessible formatting and taglines are used to ensure content is readable and understood.

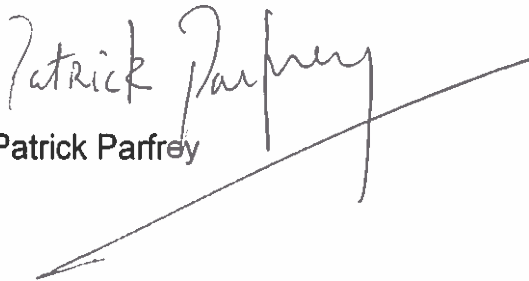
TABLE OF CONTENTS

Message from the Chair	1
Overview	2
Highlights and Partnerships	5
Report on Performance 2018-19	9
Objective #1.....	10
Objective #2	12
Objective #3	15
Opportunities and Challenges	17
Opportunities	17
Challenges	18
Financial Information	19

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 2018-19. 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 that reads "Patrick Parfrey". The signature is written in a cursive style with a long, sweeping underline that extends to the left and then curves back under the name.

Dr. Patrick Parfrey

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, six 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 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 Children, Seniors and Social Development (CSSD). 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 14 staff in 2018-19, three full-time permanent, four part-time permanent and seven part-time temporary.

The indoor training facility, known as The PowerPlex, provides athletes with access to a combatives 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 also 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 High Performance (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 annual expenditure for the NLSC this past fiscal year was \$863,004.

Expenditure Type	Total Amount
Advertising and promotion	\$541
Amortization	\$246,142
Bad Debt	\$759
Insurance	\$4,495
Interest and bank charges	\$1,224
Memberships	\$204
Miscellaneous	\$2,501
Office	\$2,805
Online booking maintenance	\$2,024
Professional fees	\$5,875
Property taxes	\$2,230
Interest on promissory notes	\$9,300
Repairs and maintenance	\$81,819
Salaries and wages	\$341,577
Security	\$1,193
Supplies	\$31,734
Telephone	\$745
Training	\$837
Utilities	\$125,160
Vehicles	\$1,839
Total	\$863,004

(Please see Appendix 1: NLSC Audited Financial Statements March 31, 2019).

At the end of this reporting period, March 31, 2019, the board consisted of the following members:

Chairperson	Dr. Patrick Parfrey, OC
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 Paula Smyth, 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 NL

For more information on the NLSC, please contact:

Rod Snow, Executive Director 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

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 2018-19, 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 \$49,024 in revenue for 2018-19 in the high performance centre, up from \$30,783 in 2017-18.
- 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 increased its participant visits per year in 2018-19, up from 240,000 in the previous year, to an excess of 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 second consecutive year, the NLSC became the primary training and practice facility for the National Basketball League’s St. John’s Edge.
- The NLSC played host to a RBC Training Ground Regional Qualifier for National Competition, designed to discover future Olympic hopefuls from Newfoundland and Labrador. This year’s event had 91 athletes compete in the event, setting three Atlantic records and the participant numbers put St John’s in the top five in the country for attendance.
- The NLSC hosted the 2018 Boccia National Championships. Athletes from across the country including national team coaches and athletes participated in the Paraspport event.

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

- The NL Cardiac Rehabilitation Association (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) and Department of Justice and Public Safety (JPS)

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

- Physical Abilities Requirement Evaluation (PARE) 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 is operating 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 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 conducted to ensure 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, 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.

These key issues are aligned with the goals and objectives of CSSD. The following represents the NLSC board's activities in support of these directions for fiscal year 2018-19. Three objectives have been identified in NLSC 2017-20 Activity Plan and these are reported on herein.

Objective #1

By March 31, 2019, 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, 2019, the NLSC had undertaken the following activities:

Indicators - Planned for 2018-19	Actual Performance for 2018-19
Hosted sports events at all levels.	<p>In 2018-19, the NLSC has hosted sports events at all levels, as is demonstrated below:</p> <ul style="list-style-type: none">• Events hosted at the NLSC at the provincial and regional levels included:<ol style="list-style-type: none">1. Provincials – Newfoundland and Labrador Basketball Association (NLBA) junior and senior, Newfoundland and Labrador Volleyball Association (NLVA), Judo, Karate, Cheerleading.2. Regional events – hosted Avalon Region NLBA and NLVA events.3. High School events for NLVA, NLBA and Ultimate4. 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.• Events hosted at the NLSC at the national and regional levels included:<ol style="list-style-type: none">1. Nationals – November 2018 Boccia.2. National Child Day hosted by the City of St. John's.3. RBC Training Ground Regional Qualifier.• It is noted that events at the national and international level, for most sports, are cyclical in

Indicators - Planned for 2018-19	Actual Performance for 2018-19
	<p>nature and there can be 5-10 years between hosting opportunities. It is reasonable to have some years without hosting national or international competition.</p>
<p>Undertaken an equipment and infrastructure assessment to appropriately plan for future requirements.</p>	<p>In 2018-19, 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"> 1. The PowerPlex’s hardwood sports floor underwent a complete refinish in September 2018 at a cost of \$26,000. 2. Full upgrade and replacement of fluorescent lamps and ballasts at the Dr. Noel Browne High Performance Centre was completed. The project involved moving from fluorescent bulbs to a more efficient LED light system. Accessing Newfoundland Power’s Business Efficiency Program (BEP) allowed for rebates near \$10,000 and it’s anticipated lighting upgrades will provide significant savings in future energy costs. 3. The NLSC, specifically the PowerPlex, was able to realize infrastructure and equipment improvements under the Government of NL Insurance Program. Repair and replacement of failing brickwork and combat room sports mat through an insurance claim resulted in the ability for designated funding for both projects to be redirected to other future projects.

Indicators - Planned for 2018-19	Actual Performance for 2018-19
	<p>4. After reassessment of HVAC motor rebuild anticipated for 2018-19, 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 2019-20.</p> <p>5. In The PowerPlex, an assessment was undertaken on bleacher systems, ceiling suspended basketball nets and curtains. Maintenance was performed where necessary and all equipment was functioning properly.</p>
<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 2018-19 this work included:</p> <ul style="list-style-type: none"> • Updated and approved a Harassment and Respectful Workplace Policy. This policy review was undertaken 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. • Work continues for the further development and implementation of policies specific to NLSC operations.

Objective #2

By March 31, 2019, 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, 2019, the NLSC has undertaken the following activities:

Indicators - Planned for 2018-19	Actual Performance for 2018-19
<p>Targeted Teams and Athletes active in HP Program.</p>	<p>In 2018-19, the NLSC High Performance Program began the final year preparation phase for the 2019 Canada Winter Games in Red Deer, Alberta. As part of the program, the NLSC 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"> • 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. • As part of the Canada Games High Performance (CGHP) Program for Red Deer 2019, two sports were identified as having teams or athletes with Top six potential at the Canada Games. These sports were provided with additional supports as requested. • As of March 31, 2019, eleven of 17 teams participated in the CGHP Program. These teams had varying degrees of compliance. • The NLSC's HP Program also provided and coordinated services to 17 Podium, Canadian Elite and Canadian Development athletes as identified by Sport Canada from a wide range of sports. These services included access to facilities, strength and conditioning specialists, mental training and sports

Indicators - Planned for 2018-19	Actual Performance for 2018-19
	nutrition consultants.
Provision of a facility with necessary equipment and infrastructure for HP training.	<p>In 2018-19, the NLSC ensured the provision of a facility with the necessary equipment and infrastructure for HP training through the undertaking of the activities outlined below:</p> <ul style="list-style-type: none"> • The NLSC purchased a new treadmill in 2018 as three of four original treadmills purchased in 2008 were not functioning. Treadmills are major equipment purchases at \$5000-7000 each and it is anticipated a second treadmill will be purchased in 2019-20. • Installed new equipment such as ceiling suspended climbing rope and gymnastic rings to enhance programming opportunities and demonstrate the NLSC's commitment to have all training tools available for athlete development. • 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 2018-19. • NLSC staff ensured scheduling of use by teams is appropriate to spatial limitations of training facilities.
Established linkages with HP	In 2018-19, the NLSC established linkages with HP

Indicators - Planned for 2018-19	Actual Performance for 2018-19
Sport partners. (Canadian Sports Centre Atlantic and other Atlantic Provinces)	<p>Sport Partners:</p> <ul style="list-style-type: none"> • 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. • 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). • Strategic discussions between CSCA, Sport NL and the GNL's Sport and Recreation 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, 2019, 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, 2019, the NLSC has undertaken the following activities:

Indicators - Planned for 2018-19	Actual Performance for 2018-19
Target organizations that support and deliver healthy active living programs to	<p>In 2018-19, the NLSC targeted:</p> <ul style="list-style-type: none"> • Cardiac rehabilitation organizations to determine the suitability of NLSC facilities for programming.

Indicators - Planned for 2018-19	Actual Performance for 2018-19
<p>promote physical activity and recreation opportunities through the NLSC.</p>	<ul style="list-style-type: none"> • Newfoundland and Labrador Cardiac Rehabilitation Association (NLCRA) to continue its association with the NLSC and its participation rates are at their highest. • 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 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 2018-19, the NLSC provided:</p> <ul style="list-style-type: none"> • Gymnasium space for walking and physical activity for the NLCRA. • Space to host fall prevention classes for older adults and special populations who require the support and training. • Gymnasium space for NLESD school activity and sports days. • Meeting space for various community groups. • 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.

Opportunities and Challenges

In 2018-19, the NLSC has met the indicators outlined for both objectives and there are no variances to be reported. 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. This 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 no major national events hosted in 2015, 2016 and a single National level event in 2018 (Boccia Nationals), 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.
- 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.

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:

- With the NLSC entering its 11th 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. Increased engagement with PSOs and other key stakeholders will be undertaken to ensure the 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.

- As included in **The Way Forward**, 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.

Audited Financial Statements

Noseworthy Chapman's Copy
Please sign and return

NEWFOUNDLAND AND LABRADOR
SPORTS CENTRE INC.

FINANCIAL STATEMENTS

MARCH 31, 2019

CONTENTS

Independent Auditors' Report.....	1
Statement of Financial Position.....	3
Statement of Operations and Accumulated Surplus	4
Statement of Changes in Net Financial Assets.....	4
Statement of Cash Flows	6
Notes to the Financial Statements	7-12

NOSEWORTHY CHAPMAN

chartered professional accountants

A: Suite 201, 516 Topsail Rd / St. John's NL / A1E 2C5
T: 709.364.5600 F: 709.368.2146 W: noseworthychapman.ca



Page 1

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, 2019, 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, 2019, 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, 2019, current assets and net assets as at March 31, 2019. Our audit opinion on the financial statements for the year ended March 31, 2018 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.



Page 2

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.

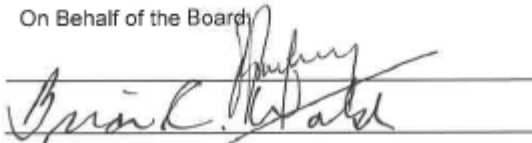
Noseworthy Chapman

Chartered Professional Accountants
St. John's, NL
August 22, 2019

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.
**Statement of Financial Position
Year Ended March 31, 2019**

	2019	2018
FINANCIAL ASSETS		
Cash	\$ 289,900	\$ 129,501
Temporary investments	102,781	101,253
HST receivable	-	80,814
Accounts receivable	18,365	80,995
	411,046	392,563
LIABILITIES		
Payables and accruals (Note 4)	52,844	27,794
Deferred contributions (Note 5)	446,638	469,188
HST payable	16,431	-
Promissory note payable (Note 6)	157,800	250,000
	673,713	746,982
Net financial liabilities	\$ (262,667)	\$ (354,419)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	\$ 7,779,776	\$ 8,025,918
Prepaid expenses	3,543	4,348
	7,783,319	8,030,266
ACCUMULATED SURPLUS	\$ 7,520,652	\$ 7,675,847
Accumulated surplus comprised of:		
Unrestricted net assets	\$ 7,520,652	\$ 7,675,847

On Behalf of the Board



Chairperson

Director

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Operations and Accumulated Surplus Year Ended March 31, 2019

	Budget 2019 (Unaudited)	2019	2018
REVENUES			
Government grants	\$ 415,600	\$ 413,171	\$ 450,284
Rental	240,000	291,228	242,158
Donations	-	1,116	47,538
Interest	1,250	1,528	1,558
Miscellaneous	1,750	766	1,154
	658,600	707,809	742,692
EXPENDITURES			
Advertising and promotion	\$ 900	\$ 541	\$ 136
Amortization	246,142	246,142	246,142
Bad debt	-	759	-
Insurance	6,015	4,495	6,012
Interest and bank charges	175	1,224	3,020
Interest on promissory notes	4,485	9,300	10,078
Memberships	300	204	298
Miscellaneous	3,000	2,501	3,023
Office	5,000	2,805	2,447
Online booking maintenance	2,100	2,024	2,032
Professional fees	5,800	5,875	5,701
Property taxes	2,500	2,230	2,283
Repairs and maintenance	103,032	81,819	74,861
Salaries and wages	356,072	341,577	351,603
Security	900	1,193	1,194
Supplies	24,257	31,734	36,913
Telephone	1,290	745	1,107
Training	400	837	1,363
Utilities	115,000	125,160	111,035
Vehicles	2,000	1,839	1,904
	879,368	863,004	861,152
ANNUAL DEFICIT	\$ (220,768)	\$ (155,195)	\$ (118,460)
Accumulated surplus, beginning of year		7,675,847	7,794,307
Accumulated surplus, end of year		\$ 7,520,652	\$ 7,675,847

Statement of Changes in Net Financial Assets

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**Year Ended March 31, 2019**

	Budget 2019 (Unaudited)	2019	2018
Annual deficit	\$ (220,768)	\$ (155,195)	\$ (118,460)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	-	(21,540)
Amortization of tangible capital assets	-	246,142	246,142
	-	246,142	224,602
Change in other non-financial assets			
Net acquisition of prepaid expenses	-	805	(473)
	-	805	(473)
Increase in net financial assets		91,752	105,669
Net financial liabilities, beginning of year		(354,419)	(460,068)
Net financial liabilities, end of year	-	\$ (262,667)	\$ (354,419)

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**Statement of Cash Flows
Year Ended March 31, 2019**

	2019	2018
Operating transactions		
Cash receipts from government and customers	\$ 744,486	\$ 840,836
Cash paid to suppliers and employees	(482,479)	(597,493)
Donations received	1,116	47,538
Interest received	1,528	1,558
Interest and bank charges paid	(10,524)	(13,099)
Cash provided by operating transactions	254,127	279,340
Capital transactions		
Purchase of capital assets	-	(21,540)
Cash used in capital transactions	-	(21,540)
Financing transactions		
Repayment of promissory note	(92,200)	(286,000)
Cash used in financing transactions	(92,200)	(286,000)
Increase (decrease) in cash during year	161,927	(28,200)
Cash position, beginning of year	230,754	258,954
Cash position, end of year	\$ 392,681	\$ 230,754
Cash consists of:		
Cash	\$ 289,900	\$ 129,501
Temporary investments	102,781	101,253
	\$ 392,681	\$ 230,754

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2019

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

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

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.

Financial instruments

The organization's financial instruments recognized in the statement of financial position consist of cash, temporary investments, HST receivable, accounts receivable, payables and accruals and promissory notes 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.

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

**Notes to the Financial Statements
March 31, 2019**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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
March 31, 2019****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, 2019.

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

	2019	2018
Accounts payable	\$ 35,050	\$ 12,004
Accrued liabilities	17,794	15,790
	\$ 52,844	\$ 27,794

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.

Notes to the Financial Statements**March 31, 2019**

6. PROMISSORY NOTE PAYABLE

Promissory note payable to a private individual in the amount of \$157,800 (2018 - \$250,000), 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, 2019**

7. TANGIBLE CAPITAL ASSETS

	2019			
	Land	Building	Equipment	Total
Cost				
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
Accumulated amortization				
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
				2018
	Land	Building	Equipment	Total
Cost				
Opening balance	\$ 280,000	\$ 9,824,158	\$ 548,610	\$ 10,652,768
Additions	-	21,540	-	21,540
Closing balance	280,000	9,845,698	548,610	10,674,308
Accumulated amortization				
Opening balance	-	1,853,638	548,610	2,402,248
Amortization	-	246,142	-	246,142
Closing balance	-	2,099,780	548,610	2,648,390
Net book value	\$ 280,000	\$ 7,745,918	\$ -	\$ 8,025,918

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements

March 31, 2019

8. RELATED PARTY TRANSACTIONS

The organization received an annual operating grant from the Government of Newfoundland and Labrador in the amount of \$411,600 (2018-\$411,600).

9. BUDGET FIGURES

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