

Newfoundland and Labrador Sports Centre

Annual Report

2013-2014

NL Sports Centre Annual Report

1. Message from the Chair

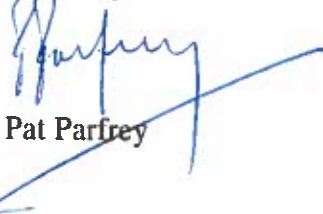
Dear Minister:

On behalf of the members of the Board of Directors for the Newfoundland and Labrador Sports Centre Inc. (NLSC), I am pleased to submit this Annual Report for 2013/14 which has been prepared in compliance with the *Transparency and Accountability Act*. The NLSC is a Category 3 Government Entity. I would also note that this 2013/14 report completes the reporting required for 2011-14 Activity Plan cycle.

The NLSC continues to play a key role in the advancement of the Provincial Recreation and Sport Strategy. The NLSC has continued to grow and improve its facilities and programs to ensure the Province's Provincial Sports Organizations have a high quality facility in which to develop and implement its programs. With March 31, 2014 marking the end of the 2011-2014 planning cycle, the NLSC's operations for 2013/14 have demonstrated good success in carrying out its mandate for this period as demonstrated in this and previous annual reports.

My signature below is indicative of the Board's accountability for the results noted in this report.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Pat Parfrey', is written over a horizontal line. The signature is stylized and cursive.

Pat Parfrey

Message from the Chair

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1. Overview

The Department of Tourism, Culture and Recreation (TCR) operated and managed the Torbay Recreation Centre until it closed in April 2002. This Centre had been used as a training and competition venue for the Province's athletes and teams. Following this closure, a number of replacement options were explored and a partnership between the Provincial and Federal Governments, the City of St. John's, the Swilers Rugby Club and Sport Newfoundland and Labrador (SNL) was established to construct the NLSC.

The NLSC is a high quality sports training facility that was officially opened in July 2008. It serves as a venue for athlete training and for hosting provincial, national and international competitions for more than 70,000 athletes, coaches and administrators that make up SNL. The Centre is operated as a Provincial Crown Corporation and includes a multi-purpose indoor training facility and a high performance centre. The training facility, known as The PowerPlex, provides the province's elite athletes with access to a boxing/combat room, locker and shower rooms and a 2,944 square metre (or 32,000 square foot) gymnasium, which is large enough to have four basketball, seven volleyball or seven badminton courts playable at any one time. The high performance centre, known as the Dr. Noel Browne High Performance Centre, is an extension to the adjacent Swilers Rugby Club, and includes a multi-purpose meeting room, three offices, and a strength and conditioning room which is on equal scale and of equal quality to many of North America's professional sports teams' facilities.

During the 2011-14 planning cycle, the Board of Directors supported Government's strategic direction of Physical Activity, Active Recreation and Sport, as well as the provincial Recreation and Sport Strategy, *Active, Healthy Newfoundland and Labrador* (2007). The Board of Directors is made up of representatives drawn from a range of the sport and recreation community who have far-reaching experience in the field.

The board of the NLSC includes: Dr. Patrick Parfrey, OC (Chair); Jill Brewer; Sandy Hickman; Tom Godden; David Nofall; Sean Gillespie; Dr. Noel Browne; Andrew Battcock; Denise May; Dave Tibbo; Janine Woodrow; Andrew Bruce; Mark Jones.

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2. Mandate

The mandate of the NLSC Board is:

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

3. Values

In its operation, the NLSC maintains the following values:

Safe

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

Excellence

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

Accessible

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

4. Vision

The vision of the NLSC is to be a vehicle to facilitate the overall development of Provincial Sports Organizations, their programs and athletes, in every sport, at all ages, so that they realize their athletic potential through sport specific training, advanced sports performance training programs, scientifically designed to maximize human sports performance. The NLSC will also satisfy the requirement to encourage, attract and host high- level sporting events that can showcase these potential increases in athletic performance.

5. Lines of Business

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

5.1 Operation of the Sports Centre

The NLSC operates seven days per week and as such, the daily operations of such a facility require a great deal of time and focus. This includes, but is not exclusive to the following activities: the management of human resource issues; maintenance of the centre; management of bookings; procurement of required items, and; the management of information technology needs.

5.2 Athlete Development and Training

The NLSC complex includes two buildings – a multi-purpose indoor training facility (the PowerPlex) and a high performance centre (Dr. Noel Browne High Performance Centre) – to enable athletes and teams to access training space and to help achieve new heights in their careers.

5.3 Sport Event Hosting

The NLSC complex serves as a venue to host provincial, national and international competitions for Sport Newfoundland and Labrador.

6. Primary Clients

The NLSC is overseen by a board and represents a partnership among two levels of government (Provincial and Municipal), the Sports Community and the private sector.

The primary clients of the NLSC are numerous and include:

- The Provincial Sport Organizations: Sport Newfoundland and Labrador, School Sport Newfoundland and Labrador, and Recreation Newfoundland and Labrador.
- Government of Newfoundland and Labrador, specifically the Department of Tourism, Culture and Recreation.
- The City of St. John's.
- Newfoundland and Labrador elite athletes.
- Newfoundland and Labrador schools.
- Memorial University of Newfoundland and Labrador, particularly the School of Human Kinetics and Varsity Athletics.
- Cardiac patients and the elderly for rehabilitation.
- Justice Departments/Organizations, I.e. RNC, CBSA, Inland Fisheries, Corrections.
- The public.

7. Mission

In light of the mandate of the NLSC, the Board operates in consideration of the Department of Tourism, Culture and Recreation's mission:

By 2017, the Department of Tourism, Culture and Recreation will have provided opportunities for enhanced participation by citizens engaged in developing and promoting tourism, arts, heritage and physical activity, recreation and sport so that the province is a better place in which to live, visit and work.

The NLSC contributes to this in the following ways:

- Through offering a high performance multi-sport training facility where administrators, coaches and athletes of all ages will have access to unparalleled expertise and a full range of comprehensive and integrated support services to supplement the use of high quality equipment, facilities and partnerships;
- By working toward producing athletes with strength, speed, power and discipline that are capable of putting these qualities into play in competitions at regional, Atlantic, national and international levels through the High Performance Program;
- By providing the Provincial Sports Organizations with not only a forum to train and increase athletic performance, but also a venue to showcase their skills by hosting Sporting events at all levels where possible.

8. Shared Commitments

Canadian Sports Centre Atlantic (CSCA)

- CSCA co-funds the position of Lead Strength and Conditioning Specialist at the NLSC with the Department of Tourism, Culture and Recreation.
- The NLSC's Lead Strength and Conditioning Specialist is responsible for the design and implementation of strength and conditioning programming that takes place with all Canada Games athletes as part of the NLSC's High Performance Program.
- The Lead Strength and Conditioning Specialist is the single most important factor in the success of the Canada Games HP Program.
- The NLSC, working within this partnership, supports the strategic direction of government of "Physical Activity, Active Recreation and Sport".

City of St. Johns

- The City of St. John's utilizes space at the NLSC at lunch time Monday to Friday to provide physical activity classes and inclusive sports games for employees.
- The City's program shares the Sports Centre's goal of increasing opportunities for enhanced participation by citizens engaged in developing and promoting physical activity, recreation and sport so that the province is a better place in which to live and work.

- Working with the City of St. John’s, the NLSC supports the Strategic Direction of “Physical Activity, Active Recreation and Sport”, in the focus area of “Support regional recreation and sport.”

NL Cardiac Rehabilitation Association

- The NL Cardiac Rehabilitation Association operates a walking program at the NLSC that accommodates 70-80 recuperating cardiac surgery patients, 3 days per week.
- This allows the NLSC to provide the opportunity to the elderly to access quality recreation space to increase physical activity levels across all populations.
- This partnership works within the Strategic Direction “Physical Activity, Active Recreation and Sport”, specifically the focus area of “Increase access and participation for under-represented groups (disabled persons, women and girls, lower income, Aboriginal persons).

Allied Health Services, Memorial University

- Further to the development of the NLSC’s High Performance Program, Allied Health assists and provides scientific testing of Canada Games and Provincial level athletes.
- This access to physiological testing equipment ensures athletes have all the necessary tools to measure and increase athletic performance in line with the NLSC’s High Performance Goals.
- Through this partnership, the NLSC supports the strategic direction of “Physical Activity, Active Recreation and Sport”.

NL Rugby Union (NLRU)

- The NLRU in partnership with the NLSC operate an Active Kids Program as a function of the first stage of the Long Term Athlete Development Program which targets pre-school aged kids.
- Active Kids is a free program that operates year round and regularly attracts 60 to 100 children per session and furthers the opportunities for enhanced participation by developing and promoting physical activity for even our youngest citizens.
- The partnership between the NLRU and NLSC supports the focus area “Increase access and participation for under-represented groups (disabled persons, women and girls, lower income, Aboriginal persons)” of the Strategic Direction “Physical Activity, Active Recreation and Sport.”

9. Highlights and Accomplishments

- The NL Sports Centre’s High Performance (HP) Sports Program was responsible for assisting in the preparation of Team NL’s athletes for 2013 Canada Games. Of the 19 competing Canada Games Teams in Sherbrook, 17 teams participated in Strength and Conditioning work, and accessed consultants in Sports Nutrition and Sports Psychology. The HP Program is currently preparing Team NL’s athletes

for the 2015 Canada Games in Prince George, BC. Higher levels of adherence to the NL Sports Centre's HP Program are expected to result in increased performance and higher placing at the Canada Games. To this end, Riley's Room in the Dr. Noel Browne High Performance Centre has maintained a high standard of human resources and specialized equipment in the field of sports performance. The goal is to prepare all athletes from Newfoundland and Labrador for a 24 month period in advance of each Canada Games to increase the opportunities for athletic and sporting success. This demonstrates the Sports Centre's fulfillment of one the six key directions as noted in the 2007 Recreation and Sport Strategy by reaching athletic potential through enhanced excellence. The Canada Games HP Program also supports the Provincial Sport and Recreation Strategy's Key Direction of support to Sport and Athlete development. The strategic direction of support for regional and recreational sports is demonstrated in the NLSC's Activity Plan and cited in the Work Plan.

- The NL Sports Centre furthers the Sport and Recreation Strategy's Key Direction of building capacity through infrastructure. 2013-14 was the first year to date the facility held sporting competitions at all levels including, regional, provincial, national and international. The capacity to host events at the national and international level is only possible with the necessary infrastructure; the NLSC fulfills this capacity. Hosting events at all levels forwards the strategic direction of strengthening provincial recreation and sports organizations and is acknowledged in the NLSC's Activity Plan.
- NL Sports Centre Board approved the installation of air conditioning of the NL Sports Centre allowing for superior temperature and humidity control of the facility to ensure safe usage and a higher quality environment for training and competition. This upgrade ensures that Provincial Sports Organizations can operate all summer programs safely and at a high standard in the humid summer months addressing the strategic direction of support for regional and recreational sports as demonstrated in the NLSC's Activity Plan and cited in the Work Plan.

10. Report on Performance 2013- 2014

The NLSC is Newfoundland and Labrador's pre-eminent sports and training facility for the development of amateur sport and athletes. An annual operating grant is provided by the Government of Newfoundland and Labrador through the Department of Tourism, Culture and Recreation to assist with day-to-day operations. The Centre 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. In order to be prepared, the NLSC has determined that equipment and infrastructure assessments should be conducted regularly. The NLSC's key for success is appropriately planning for future requirements within its fiscal resources. This planning is to be conducted while ensuring the day-to-day function of the centre, which includes the hosting of sporting events, is not compromised. The NL Sports Center Board has also undertaken the development and institution of new policies as required.

This key issue is aligned with the Strategic Direction of Physical Activity, Active Recreation and Sport, and is also in line with Government’s Recreation and Sport Strategy, *Active, Healthy NL* (2007).

The Annual Report for 2013-14 completes the reporting required for 2011-14 Activity Plan cycle. As with previous years, the 2013-14 report demonstrates good success in meeting the objective set out in the 2011-14 planning cycle.

The NLSC is reporting on the following objective for 2013-14.

Objective: By March 31, 2014 the NL Sports Centre will have supported the provision of a high-quality, state-of-the-art training facility for Newfoundlanders and Labradorians.

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

Indicators:

- Hosted sports events at all levels.
- Lead Maintenance in conjunction with Management has undertaken regular visual and procedural equipment and infrastructure assessments to appropriately plan for future requirements.
- Conducted a background review via Manager and Board consultations to determine policies required with respect to Human Resources, Occupational Health and Safety and activity related programming.

Performance Indicators

Planned for 2013-14	Actual Performance for 2013-14
Hosted sports events at all levels.	<ul style="list-style-type: none"> • Events were hosted at the NLSC at all levels including: <ol style="list-style-type: none"> 1. Provincials – Newfoundland and Labrador Basketball Association (NLBA), Newfoundland and Labrador Volleyball Association (NLVA), Judo, Karate 2. Avalon Region- NLBA, NLVA, Ultimate Frisbee 3. High School events for NLVA, NLBA and Ultimate 4. Eastern Canadian Championships Gymnastics 5. Eastern Canadian Championships Volleyball 6. National Championships hosted for Darts, Boccai - Para-Olympic, and Basketball. 7. World Cup of Darts
Undertaken an equipment and infrastructure assessment to appropriately	<ul style="list-style-type: none"> • Equipment and infrastructure assessment, planning and implementation included: <ol style="list-style-type: none"> 1. Installation and service of new ceiling suspended

plan for future requirements.	<p>basketball system components.</p> <ol style="list-style-type: none"> 2. Review and installation of parking lot areas to meet codes for accessibility and fire regulations. 3. Approval for installation of air conditioning systems at NLSC to address temperature and humidity control to mitigate facility shutdowns. 4. Re-lamp of full facility to ensure appropriate levels of light for safe play and meeting the criteria for sports competition. (1000+ lights) 5. Comprehensive review of NLSC roof system undertaken to ensure opportunity for water penetration is minimized. A complete re-application of rubber seam coating is anticipated again by 2015-16.
Conducted a background review to determine policies required.	<ul style="list-style-type: none"> • Review completed with policies and bylaws adopted by NLSC Board. • Work continues for the further development and implementation HR policies specific to NLSC operations.

Discussion of Results

As a result of successfully achieving the performance indicators this year, the NLSC has met its objective of maintaining a high-quality, state-of-the-art training facility for Newfoundlanders and Labradorians. This is in line with the Department of Tourism, Culture and Recreation’s mission to provide 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, visit and work.

11. Opportunities and Challenges Ahead

NLSC will continue to support the provision of a high-quality, state-of-the-art training facility for Newfoundlanders and Labradorians. Now in our 6th year of operation, the NLSC is open 104 hours per week, 52 weeks per year and hosts over 120 000+ athlete visits per year, not including spectators. The challenges to meet our objective will continue to increase due to high usage and age of the facility. It remains a challenge for the NLSC to ensure the resources are in place to operate at current capacity as it is the primary vehicle for the delivery of many Provincial Sports Organization programs.

The NLSC’s High Performance Program must continue to build on past successes and facilitate a higher rate of compliance by all Provincial Sports Organizations in an effort to produce athletes and teams that can be more competitive at Canada Games and National Competitions. To that end, the NL Sports Centre must also consider expansion to existing facilities and equipment upgrades to meet the demands of higher usage by all its user groups.

12. Audited Financial Statements

**NEWFOUNDLAND AND LABRADOR
SPORTS CENTRE INC.**

FINANCIAL STATEMENTS

MARCH 31, 2014

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INDEPENDENT AUDITORS' REPORT

To the Board of Newfoundland and Labrador Sports Centre Inc.

We have audited the accompanying financial statements of Newfoundland and Labrador Sports Centre Inc., which comprise the statements of financial position as at March 31, 2014, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, Newfoundland and Labrador Sports Centre Inc. derives revenue from donations the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Newfoundland and Labrador Sports Centre Inc. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2014 and March 31, 2013, current assets and net assets as at March 31, 2014 and March 31, 2013

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Newfoundland and Labrador Sports Centre Inc. as at March 31, 2014 and March 31, 2013 and the results of its operations and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.


Chartered Accountants
St. John's, Newfoundland & Labrador
June 23, 2014

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Operations and Financial Position Year Ended March 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 247,777	\$ 84,793
Temporary investments	311,887	307,618
Accounts receivable	194,501	26,139
	754,165	418,550
LIABILITIES		
Payables and accruals (Note 4)	\$ 48,523	\$ 30,237
Government remittances payable	15,799	3,777
Deferred contributions (Note 5)	466,799	275,069
	531,121	309,083
Net financial assets	223,044	109,467
NON-FINANCIAL ASSETS		
Capital assets (Note 6)	\$ 6,532,273	\$ 6,707,170
Prepaid expenses	6,174	6,527
	6,538,447	6,713,697
ACCUMULATED SURPLUS	\$ 6,761,491	\$ 6,823,164
Accumulated surplus comprised of:		
Unrestricted net assets	\$ 6,761,491	\$ 6,823,164

On Behalf of the Board:

Chairperson

Director

Harvey
Mark Jones 25 June 2014

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Operations and Accumulated Surplus Year Ended March 31, 2014

	Budget 2014 (Unaudited)	2014	2013
REVENUES			
Government grants	\$ 650,000	\$ 423,500	\$ 459,000
Rental	160,000	223,826	162,023
Miscellaneous	2,010	2,951	2,012
Donation	6,500	6,276	23,273
Interest	1,000	4,269	4,730
	819,510	660,822	651,038
EXPENDITURES			
Advertising and promotion	\$ 250	\$ 1,175	\$ 245
Amortization	-	190,668	296,036
Insurance	4,800	4,732	4,675
Interest and bank charges	155	189	152
Memberships	200	-	141
Miscellaneous	15,000	3,525	3,465
Office	1,900	4,316	10,115
Online booking maintenance	1,620	2,162	1,613
Professional fees	4,000	5,000	4,390
Property taxes	2,545	2,545	2,529
Rental	1,000	2,065	2,637
Repairs and maintenance	281,900	48,002	112,629
Salaries and wages	317,500	305,231	312,019
Security	2,100	1,094	2,067
Supplies	32,500	27,358	30,380
Telephone	1,600	1,879	1,557
Training	2,000	1,417	929
Utilities	118,000	119,701	110,085
Vehicles	520	1,436	516
	787,590	722,495	896,180
ANNUAL SURPLUS (DEFICIT)	\$ 31,920	\$ (61,673)	\$ (245,142)
Accumulated surplus, beginning of year		6,823,164	7,068,306
Accumulated surplus, end of year		\$ 6,761,491	\$ 6,823,164

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Changes in Net Financial Assets Year Ended March 31, 2014

	Budget 2014 (Unaudited)	2014	2013
Annual surplus (deficit)	\$ 31,920	\$ (61,673)	\$ (245,142)
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(15,771)	(21,775)
Amortization of tangible capital assets	-	190,668	296,036
	-	174,897	274,261
Change in other non-financial assets			
Net acquisition of prepaid expenses	-	353	1,031
	-	353	1,031
Increase in net assets	31,920	113,577	30,150
Net financial assets, beginning of year	109,467	109,467	79,317
Net financial assets, end of year	\$ 141,387	\$ 223,044	\$ 109,467

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Cash Flows Year Ended March 31, 2014

	2014	2013
Operating transactions		
Cash receipts from government and customers	\$ 672,122	\$ 606,604
Cash paid to suppliers and employees	(500,977)	(596,210)
Donations received	6,276	23,273
Interest received	5,792	726
Interest and bank charges paid	(189)	(152)
Cash provided by operating transactions	183,024	34,241
Capital transactions		
Purchase of capital assets	(15,771)	(21,775)
Cash used in capital transactions	(15,771)	(21,775)
Increase in cash during year	167,253	12,466
Cash position, beginning of year	392,411	379,945
Cash position, end of year	\$ 559,664	\$ 392,411
Cash consists of:		
Cash	\$ 247,777	\$ 84,793
Term deposits	311,887	307,618
	\$ 559,664	\$ 392,411

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2014

1. NATURE OF OPERATIONS

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements are prepared by management in accordance with generally accepted accounting principles for provincial reporting entities established by the Canadian Public Sector Accounting Board.

Cash and cash equivalents

Cash and cash equivalents include cash on hand that is readily convertible to known amounts of cash and temporary investments that are subject to an insignificant risk of change in value. These temporary investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

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.

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenues

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

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

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

Interest revenue is recognized on the accrual basis as earned.

Donation revenue is recognized when received.

Expenses

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

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

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

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2014

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, 2013.

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

	2014	2013
Accounts payable	\$ 19,129	\$ 4,513
Accrued liabilities	22,580	20,424
Accrued salary and benefits	6,814	5,300
	\$ 48,523	\$ 30,237

5. DEFERRED CONTRIBUTIONS

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

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2014

6. CAPITAL ASSETS

	2014			
	Land	Building	Equipment	Total
Cost				
Opening balance	\$ 280,000	\$ 7,452,549	\$ 548,610	\$ 8,281,159
Additions	-	15,771		15,771
Closing balance	280,000	7,468,320	548,610	8,296,930
Accumulated amortization				
Opening balance	-	1,042,799	531,190	1,573,989
Amortization	-	186,314	4,354	190,668
Closing balance	-	1,229,113	535,544	1,764,657
Net book value	\$ 280,000	\$ 6,239,207	\$ 13,066	\$ 6,532,273

	2013			
	Land	Building	Equipment	Total
Cost				
Opening balance	\$ 280,000	\$ 7,452,549	\$ 526,835	\$ 8,259,384
Additions	-	-	21,775	21,775
Closing balance	280,000	7,452,549	548,610	8,281,159
Accumulated amortization				
Opening balance	-	856,485	421,468	1,277,953
Amortization	-	186,314	109,722	296,036
Closing balance	-	1,042,799	531,190	1,573,989
Net book value	\$ 280,000	\$ 6,409,750	\$ 17,420	\$ 6,707,170

7. BUDGET FIGURES

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