
Newfoundland and Labrador Sports Centre

Annual Report

2017-18

Please Note: This document follows:

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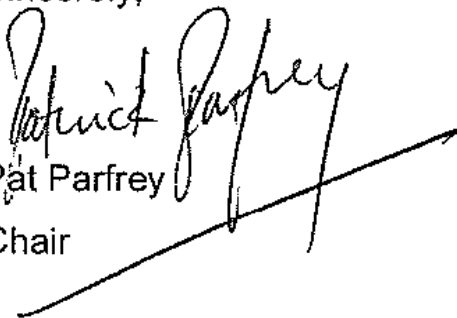
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MESSAGE FROM THE CHAIR

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 2017-18. 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,


Pat Parfrey
Chair

Overview

The Newfoundland and Labrador Sports Centre (NLSC) is managed by a board of directors appointed by the Lieutenant-Governor in Council. The board of directors is presently composed of 13 members: chairperson, six government representatives 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 13 staff in 2017-18, four full-time permanent, three part-time permanent and six part-time temporary.

The indoor training facility, known as The PowerPlex, provides the province's 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 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 quality of 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 \$861,152.

Expenditure Type	Total Amount
Advertising and promotion	\$136
Amortization	\$246,142
Insurance	\$6,012
Interest and bank charges	\$3,020
Memberships	\$298
Miscellaneous	\$3,023
Office	\$2,447
Online booking maintenance	\$2,032
Professional fees	\$5,701
Property taxes	\$2,283
Interest on promissory notes	\$10,078
Repairs and maintenance	\$74,861
Salaries and wages	\$351,603
Security	\$1,194
Supplies	\$36,913
Telephone	\$1,107
Training	\$1,363
Utilities	\$111,035
Vehicles	\$1,904
Total	\$861,152

(Please see Appendix 1: NLSC Audited Financial Statements March 31, 2018).

At the end of this reporting period, March 31, 2018, 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 Donna Ballard or Designate, Department of Children, Seniors and Social Development, Government of NL

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 Sports Centre; athlete development; and training and sport event hosting. In 2017-18, the Centre has had many successes and highlights within these lines of business, including:

- NLSC expansion in 2016-17 included the addition of a 7500sq.ft artificial sports turf area known as Benvon's Room and an additional 2500sq. ft. of strength and conditioning space added to the Dr. Noel Browne High Performance Centre. The expansion has addressed issues of capacity and the new spaces resulted in \$32,000 in new revenue for 2017-18.
- The NLSC significantly increased its participant visits per year in 2017-18 from 220,000 to in excess of 240,000 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. These numbers reflect participant visits only and not spectator visits, resulting from special events.
- With the expansion to the strength and conditioning space known as Riley's Room, usage has increased at peak times from 40-50 athletes a day to 70-80. The expanded space has resulted in the provinces top athletes having access to a larger and higher quality training space.
- The NLSC's Active Start program is an inclusive children's physical activity program offered at no cost for the broader community to participate in. 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 encourage 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.

- As result of professional basketball coming to St. John's, the NLSC became the primary training and practice facility for the National Basketball League's St. John's Edge.
- The NLSC played host to the RBC Training Ground Regional Qualifier for National Competition, designed to discover future Olympic hopefuls from Newfoundland and Labrador.

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 NL Sports Centre at lunchtime Monday to Friday, to provide physical activity classes and inclusive sports activities for employees.
- The City's Employee Wellness program shares the Sports Centre's goal of increasing opportunities for enhanced participation by citizens engaged in developing and promoting physical activity, recreation and sport so that the province is a better place in which to live and work.
- The NLSC's Active Start program effectively demonstrates promotion of the Provincial Government's objective 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.

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. This 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.

NL Rugby Union (NLRU)

- The NLRU in partnership with the NLSC operates 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 80 to 120 children per session and offers opportunities for enhanced participation by developing and promoting physical activity and physical literacy for young children.

Royal Newfoundland Constabulary (RNC) and Justice Department

- The RNC and various justice-related organizations utilized the NLSC as main facility for training and recruitment.
- Physical Abilities Requirement Evaluation (PARE) testing recruits as well as basic cadet training, from use of force training to marching drills to graduation ceremony preparation, is a significant piece of programming for NLSC at 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 healthcare-related charitable organizations to run 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, The 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 2017-18. Three objectives have been identified in NLSC 2017-20 Activity Plan and these are reported on herein.

Objective #1

By March 31, 2018, the NL Sports Centre 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, 2018, the NLSC had undertaken the following activities:

Indicators - Planned for 2017-18	Actual Performance for 2017-18
Hosted sports events at all levels.	<p>In 2017-18, 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), Newfoundland and Labrador Volleyball Association (NLVA), Judo, Karate, Cheerleading.2. Avalon Region - NLBA, NLVA3. High School events for NLVA, NLBA and Ultimate4. Hosted events for not for profit charities such as Easter Seals NL, Dr. H. Bliss Murphy Cancer Care Foundation, Heart and Stroke Foundation NL. All events were health and fitness based activities.• Events hosted at the NLSC at the National and regional levels included:<ol style="list-style-type: none">1. City of St. John’s National Child Day2. Atlantic Championships Karate3. Ultimate - National Level Coaching Clinic4. RBC Training Ground Regional Qualifier• It is noted that events at a national and international level, for most sports, are cyclical in nature and there

Indicators - Planned for 2017-18	Actual Performance for 2017-18
	<p>have been 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>	<ul style="list-style-type: none"> • In 2017-18, 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: <ol style="list-style-type: none"> 1. Completed full upgrade and replacement of fluorescent lamps and ballasts at The PowerPlex. Upgrades involved moving from fluorescent to LED light system. Upgrades provided the opportunity to take advantage of Newfoundland Power rebates and it is anticipated upgrades will provide significant savings in future energy costs. 2. Completed a full review of the main building metal roof system and applied the second stage of a multi-year rubber roof coating on areas deemed to be highest concern for water penetration. 3. Replaced and upgraded existing door entrance systems in The PowerPlex and Dr. Noel Browne HP Centre. Upgrades and replacements in both facilities created improvements in accessibility, including automated door features. 4. Undertook full repaint and plaster of all necessary areas in The PowerPlex gymnasium area warranted by the significant demands of

Indicators - Planned for 2017-18	Actual Performance for 2017-18
	<p>sports activities.</p> <ol style="list-style-type: none"> 5. After reassessment of HVAC motor rebuild anticipated for 2017-18, it was determined that motor and unit was functioning well and rebuild was postponed for reassessment in 2018-19. 6. Continually assesses, renews and upgrades equipment as necessary. In 2017-18, given the high levels of usage, equipment such as foam rollers, bands, medicine balls and other small equipment were replaced in Riley's Room as needed and upgraded as new equipment enters the market. Decisions to renew and upgrade are based on procedural and visual inspection, and all necessary replacements and upgrades were completed in 2017-18. In The PowerPlex, assessment was undertaken on ceiling suspended basketball nets and curtains as well as bleacher systems.
<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 2017-18 this work included:</p> <ol style="list-style-type: none"> 1. Approval of Wellness Policy by NLSC Board. The policy has been posted in public spaces to advise all user groups on the policy, which includes the promotion of a baby-friendly environment for breastfeeding families. The Wellness Policy includes a commitment to offering healthy food and refreshment options

Indicators - Planned for 2017-18	Actual Performance for 2017-18
	<p>through vending machines.</p> <p>Work continues for the further development and implementation policies specific to NLSC operations.</p>

Objective #2

By March 31, 2018, 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, 2018, the NLSC has undertaken the following activities:

Indicators - Planned for 2017-18	Actual Performance for 2017-18
<p>Targeted Teams and Athletes active HP Program.</p>	<p>In 2017-18, the NLSC began the two-year preparation phase for the 2019 Canada Winter Games in Red Deer, Alberta. 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"> • Targeting of Canada Games teams and athletes, was determined by consultation with provincial sport organizations 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.

Indicators - Planned for 2017-18	Actual Performance for 2017-18
	<ul style="list-style-type: none"> As of March 31, 2018, eight of 17 potential teams are participating in the CGHP Program. These teams had good compliance.
<p>Provision of a facility with necessary equipment and infrastructure for HP training.</p>	<p>In 2017-18, 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 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 2017-18. Facilities and equipment were (and continue to be) at a high standard for HP training. NLSC staff ensured scheduling of use by teams is appropriate to spatial limitations of training facilities.
<p>Established linkages with HP Sport partners. (Canadian Sports Centre Atlantic and other Atlantic Provinces)</p>	<p>In 2017-18, the NLSC established linkages with HP Sport Partners:</p> <ul style="list-style-type: none"> Meetings 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

Indicators - Planned for 2017-18	Actual Performance for 2017-18
	<p>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).</p> <ul style="list-style-type: none"> • Strategic discussions are also ongoing on how to target sports and athletes to further enhance opportunities for success at National level.

Objective #3

By March 31, 2018, 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, 2018, the NLSC has undertaken the following activities:

Indicators - Planned for 2017-18	Actual Performance for 2017-18
<p>Targeted organizations that support and deliver healthy active living programs to promote physical activity and recreation opportunities through the NLSC.</p>	<p>In 2017-18, the NLSC targeted:</p> <ul style="list-style-type: none"> • Cardiac rehabilitation organizations to determine the suitability of NLSC facilities for programming. • 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

Indicators - Planned for 2017-18	Actual Performance for 2017-18
	physical activity throughout the year, but most importantly in the winter months when opportunities for physical activity can be most challenging.
Provided facility access and equipment to support and deliver healthy active living initiatives.	<p>In 2017-18, the NLSC provided:</p> <ul style="list-style-type: none"> • Gymnasium space for walking and physical activity for the NLCRA. • 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.

In 2017-18, the NLSC has met the indicators outlined for both objectives and there are no variances to be reported.

Opportunities and Challenges

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

Opportunities:

Newfoundland and Labrador Sports Centre will 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 provide an opportunity for 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 2014, 2015 and 2016, the opportunity now 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 October 2015, the Government of Newfoundland committed to helping prepare athletes for national and international competition by responding to specific recommendations contained in Medals Matter, a task force report focused on enhanced performance of provincial athletes in Canada Games competition. The NLSC will continue to work with the Healthy Living, Sport and Recreation Division in the Department of Children, Seniors and Social Development to support the implementation of the recommendations.

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

- Though many of the Newfoundland and Labrador Sports Centre's non-prime time hours (Monday to Friday, 8:00am to 3:00pm, October to June) are used for sport specific activity, there are remaining hours that can be maximized to generate community health-related involvement.
- Maximizing non-prime time usage will provide an opportunity for increased revenue to assist operating costs and capital improvements.

Challenges:

Newfoundland and Labrador Sports Centre will support the provision of a high quality, state-of-the-art training facility for Newfoundlanders and Labradorians:

- With the NLSC entering its 10 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 to ensure building 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:

- Implementation of the Canada Games Task Force recommendations will be important. A timely implementation of the recommendations will positively impact athlete performance and other sport outcomes identified by the Canada Games Task Force. Improving the compliance and commitment of Canada Games teams with respect to the High Performance Program is an ongoing challenge, requiring continued effort by all partners.

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.

APPENDIX 1

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

FINANCIAL STATEMENTS

MARCH 31, 2018

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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 statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year 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 expenditures, and cash flows from operations for the year ended March 31, 2018, current assets and net assets as at March 31, 2018.

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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

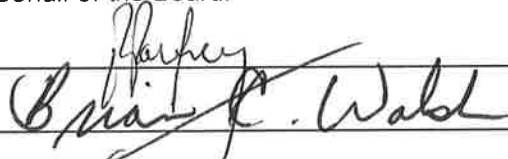

Chartered Professional Accountants
St. John's, NL
June 27, 2018

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Financial Position Year Ended March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 129,501	\$ 158,606
Temporary investments	101,253	100,348
HST receivable	80,814	100,839
Accounts receivable	80,995	144,125
	392,563	503,918
LIABILITIES		
Payables and accruals (Note 4)	27,794	42,928
Deferred contributions (Note 5)	469,188	385,078
Promissory notes payable (Note 6)	250,000	536,000
	746,982	964,006
Net financial liabilities	\$ (354,419)	\$ (460,088)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	\$ 8,025,918	\$ 8,250,520
Prepaid expenses	4,348	3,875
	8,030,266	8,254,395
ACCUMULATED SURPLUS	\$ 7,675,847	\$ 7,794,307
Accumulated surplus comprised of:		
Unrestricted net assets	\$ 7,675,847	\$ 7,794,307

On Behalf of the Board:



Chairperson

Director

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Operations and Accumulated Surplus Year Ended March 31, 2018

	Budget 2018 (Unaudited)	2018	2017
REVENUES			
Government grants	\$ 415,600	\$ 450,284	\$ 1,233,830
Rental	205,000	242,158	221,514
Donations	-	47,538	467,823
Interest	1,250	1,558	2,787
Miscellaneous	1,925	1,154	2,133
	623,775	742,692	1,928,087
EXPENDITURES			
Advertising and promotion	\$ 750	\$ 136	\$ -
Amortization	246,037	246,142	250,392
Insurance	6,000	6,012	5,581
Interest and bank charges	175	3,020	798
Interest on promissory notes	-	10,078	-
Memberships	200	298	202
Miscellaneous	2,700	3,023	2,471
Office	5,975	2,447	2,931
Online booking maintenance	2,300	2,032	1,978
Professional fees	5,508	5,701	5,474
Property taxes	2,600	2,283	2,420
Repairs and maintenance	85,486	74,861	80,988
Salaries and wages	351,800	351,603	342,064
Security	800	1,194	759
Supplies	33,255	36,913	24,527
Telephone	1,700	1,107	1,329
Training	1,385	1,363	349
Utilities	124,186	111,035	96,552
Vehicles	2,057	1,904	2,142
	872,914	861,152	820,957
ANNUAL (DEFICIT) SURPLUS	\$ (249,139)	\$ (118,460)	\$ 1,107,130
Accumulated surplus, beginning of year		7,794,307	6,687,177
Accumulated surplus, end of year		\$ 7,675,847	\$ 7,794,307

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**Statement of Changes in Net Financial Assets
Year Ended March 31, 2018**

	Budget 2018 (Unaudited)	2018	2017
Annual (deficit) surplus	\$ (294,139)	\$ (118,460)	\$ 1,107,130
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(21,540)	(1,801,715)
Amortization of tangible capital assets	-	246,142	250,392
	-	224,602	(1,551,323)
Change in other non-financial assets			
Net acquisition of prepaid expenses	-	(473)	1,685
	-	(473)	1,685
Increase (decrease) in net financial assets		105,669	(442,508)
Net financial liabilities, beginning of year		(460,088)	(17,580)
Net financial liabilities, end of year		\$ (354,419)	\$ (460,088)

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Cash Flows Year Ended March 31, 2018

	2018	2017
Operating transactions		
Cash receipts from government and customers	\$ 840,836	\$ 1,301,736
Cash paid to suppliers and employees	(597,493)	(1,057,160)
Donations received	47,538	467,823
Interest received	1,558	6,467
Interest and bank charges paid	(13,099)	(798)
Cash provided by operating transactions	279,340	718,068
Capital transactions		
Purchase of capital assets	(21,540)	(1,801,715)
Cash used in capital transactions	(21,540)	(1,801,715)
Financing transactions		
Proceeds from (payment of) promissory note	(286,000)	536,000
Cash (used in) provided by financing transactions	(286,000)	536,000
Decrease in cash during year	(28,200)	(547,647)
Cash position, beginning of year	258,954	806,601
Cash position, end of year	\$ 230,754	\$ 258,954
Cash consists of:		
Cash	\$ 129,501	\$ 158,606
Temporary investments	101,253	100,348
	\$ 230,754	\$ 258,954

**NEWFOUNDLAND AND LABRADOR
SPORTS CENTRE INC.**

FINANCIAL STATEMENTS

MARCH 31, 2018

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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 statement of financial position as at March 31, 2018, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year 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 expenditures, and cash flows from operations for the year ended March 31, 2018, current assets and net assets as at March 31, 2018.

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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

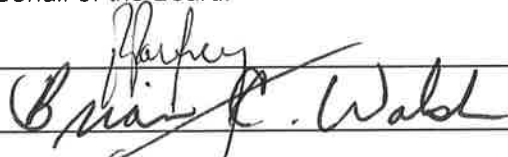

Chartered Professional Accountants
St. John's, NL
June 27, 2018

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Financial Position Year Ended March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 129,501	\$ 158,606
Temporary investments	101,253	100,348
HST receivable	80,814	100,839
Accounts receivable	80,995	144,125
	392,563	503,918
LIABILITIES		
Payables and accruals (Note 4)	27,794	42,928
Deferred contributions (Note 5)	469,188	385,078
Promissory notes payable (Note 6)	250,000	536,000
	746,982	964,006
Net financial liabilities	\$ (354,419)	\$ (460,088)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	\$ 8,025,918	\$ 8,250,520
Prepaid expenses	4,348	3,875
	8,030,266	8,254,395
ACCUMULATED SURPLUS	\$ 7,675,847	\$ 7,794,307
Accumulated surplus comprised of:		
Unrestricted net assets	\$ 7,675,847	\$ 7,794,307

On Behalf of the Board:



Chairperson

Director

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**Statement of Operations and Accumulated Surplus
Year Ended March 31, 2018**

	Budget 2018 (Unaudited)	2018	2017
REVENUES			
Government grants	\$ 415,600	\$ 450,284	\$ 1,233,830
Rental	205,000	242,158	221,514
Donations	-	47,538	467,823
Interest	1,250	1,558	2,787
Miscellaneous	1,925	1,154	2,133
	623,775	742,692	1,928,087
EXPENDITURES			
Advertising and promotion	\$ 750	\$ 136	\$ -
Amortization	246,037	246,142	250,392
Insurance	6,000	6,012	5,581
Interest and bank charges	175	3,020	798
Interest on promissory notes	-	10,078	-
Memberships	200	298	202
Miscellaneous	2,700	3,023	2,471
Office	5,975	2,447	2,931
Online booking maintenance	2,300	2,032	1,978
Professional fees	5,508	5,701	5,474
Property taxes	2,600	2,283	2,420
Repairs and maintenance	85,486	74,861	80,988
Salaries and wages	351,800	351,603	342,064
Security	800	1,194	759
Supplies	33,255	36,913	24,527
Telephone	1,700	1,107	1,329
Training	1,385	1,363	349
Utilities	124,186	111,035	96,552
Vehicles	2,057	1,904	2,142
	872,914	861,152	820,957
ANNUAL (DEFICIT) SURPLUS	\$ (249,139)	\$ (118,460)	\$ 1,107,130
Accumulated surplus, beginning of year		7,794,307	6,687,177
Accumulated surplus, end of year		\$ 7,675,847	\$ 7,794,307

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**Statement of Changes in Net Financial Assets**
Year Ended March 31, 2018

	Budget 2018 (Unaudited)	2018	2017
Annual (deficit) surplus	\$ (294,139)	\$ (118,460)	\$ 1,107,130
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(21,540)	(1,801,715)
Amortization of tangible capital assets	-	246,142	250,392
	-	224,602	(1,551,323)
Change in other non-financial assets			
Net acquisition of prepaid expenses	-	(473)	1,685
	-	(473)	1,685
Increase (decrease) in net financial assets		105,669	(442,508)
Net financial liabilities, beginning of year		(460,088)	(17,580)
Net financial liabilities, end of year		\$ (354,419)	\$ (460,088)

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Cash Flows Year Ended March 31, 2018

	2018	2017
Operating transactions		
Cash receipts from government and customers	\$ 840,836	\$ 1,301,736
Cash paid to suppliers and employees	(597,493)	(1,057,160)
Donations received	47,538	467,823
Interest received	1,558	6,467
Interest and bank charges paid	(13,099)	(798)
Cash provided by operating transactions	279,340	718,068
Capital transactions		
Purchase of capital assets	(21,540)	(1,801,715)
Cash used in capital transactions	(21,540)	(1,801,715)
Financing transactions		
Proceeds from (payment of) promissory note	(286,000)	536,000
Cash (used in) provided by financing transactions	(286,000)	536,000
Decrease in cash during year	(28,200)	(547,647)
Cash position, beginning of year	258,954	806,601
Cash position, end of year	\$ 230,754	\$ 258,954
Cash consists of:		
Cash	\$ 129,501	\$ 158,606
Temporary investments	101,253	100,348
	\$ 230,754	\$ 258,954

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2018

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.

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.

The organization's carrying value of cash, temporary investments, HST receivable, accounts receivable, payables and accruals and promissory notes payable approximates its fair value due to the immediate or short term maturity of these instruments.

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2018

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NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements**March 31, 2018**

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.

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, 2018

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, 2018.

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

	2018	2017
Accounts payable	\$ 12,004	\$ 27,668
Accrued liabilities	15,790	15,260
	\$ 27,794	\$ 42,928

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, 2018**

6. PROMISSORY NOTES PAYABLE

- I. Promissory note payable to a private individual in the amount of \$250,000 (2017 - \$300,000), bearing interest at 3.95% annually with monthly interest payments.
- II. Non-interest bearing promissory note payable to a private individual in the amount of \$Nil (2017 - \$236,000). This has been repaid during the year.

Payments will be applied first to the non-interest bearing promissory note and then to the interest bearing promissory note.

Principal repayment terms in respect of the promissory notes 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, 2018

7. TANGIBLE CAPITAL ASSETS

	2018				
	Land	Building under construction	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
	2017				
	Land	Building under construction	Building	Equipment	Total
Cost					
Opening balance	\$ 280,000	\$ 402,036	\$ 7,620,407	\$ 548,610	\$ 8,851,053
Additions	-	-	1,801,715	-	1,801,715
Transfer	-	(402,036)	402,036	-	-
Closing balance	280,000	-	9,824,158	548,610	10,652,768
Accumulated amortization					
Opening balance	-	-	1,607,602	544,254	2,151,856
Amortization	-	-	246,036	4,356	250,392
Closing balance	-	-	1,853,638	548,610	2,402,248
Net book value	\$ 280,000	\$ -	\$ 7,970,520	\$ -	\$ 8,250,520

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements

March 31, 2018

8. RELATED PARTY TRANSACTIONS

The organization received an annual operating grant from the Government of Newfoundland and Labrador in the amount of \$411,600 (2017-\$431,600).

9. BUDGET FIGURES

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