

Newfoundland and Labrador Sports Centre

Annual Report

2015-16

Please Note: In accordance with **Clear Print Accessibility Guidelines** (Canadian National Institute for the Blind: n.d), 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.

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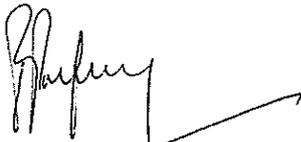
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Message from the Chair

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 2015-16. The annual report has been prepared and is submitted in accordance with the obligation as a category three entity under the **Transparency and Accountability Act**. My signature below is indicative of the Board's accountability for the actual results reported within this document.

Sincerely,

A handwritten signature in black ink, appearing to read 'Parfrey', written over a horizontal line that extends to the right.

Pat Parfrey
Chair

Overview

The Newfoundland and Labrador Sport Centre (NLSC) is managed by a board of directors appointed by the Lieutenant-Governor in Council. The board of directors is presently composed of 9 members: chairperson, government representative and several board members, drawn from a range of the sport and recreation community 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 Seniors, Wellness and Social Development (SWSD). 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 15 staff, 2 females and 13 males

The indoor training facility, known as The PowerPlex, provides the province's 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.

The annual expenditure for the NLSC this past fiscal year was \$735,877.

Expenditure Type	Total Amount (\$)
Advertising and promotion	504
Amortization	194,865
Insurance	5,542
Interest and bank charges	150
Memberships	194
Miscellaneous	2,862
Office	3,139
Online booking maintenance	2,162
Professional fees	4,809
Property taxes	2,303
Rental	-
Repairs and maintenance	50,659

Salaries and wages	335,361
Security	737
Supplies	19,619
Telephone	1,609
Training	1,090
Utilities	109,695
Vehicles	577
Total	735,877

(Please see Appendix 1: NLSC Financial Statements March 31, 2016).

At the end of this reporting period, March 31, 2016 the board consisted of the following members:

Chairperson	Dr. Patrick Parfrey, OC
Members	Tanya Haywood, City of St. John's Sandy Hickman, City of St. John's Tom Godden, Sport Newfoundland and Labrador Sean Gillespie, Swilers Rugby Club Dr. Noel Browne, Swilers Rugby Club Janine Woodrow Andrew Bruce Mark Jones, Department of SWSD

For more information on the NLSC, please contact:

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Mandate

The mandate of the NLSC Board, as described under the objects of the corporation, is:

- a) To manage, maintain and operate the Newfoundland and Labrador Sports 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.

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.

Vision

The vision of the NLSC is to be a vehicle to facilitate the overall development of Provincial Sport 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, and 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.

Lines of Business

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

- **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 the management of human resource issues, maintenance of the

centre, managing bookings, procuring required items and the management of information technology needs, among others.

- **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). These facilities enable athletes and teams to access training space and to help achieve a higher level of athletic success.

- **Sport Event Hosting**

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

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. Because of this, the Centre has a diverse range of primary clients, including:

- Provincial Sport Organizations (PSOs)
- Sport and Recreation organizations (Sport Newfoundland and Labrador, School Sport Newfoundland and Labrador, and Recreation Newfoundland and Labrador)
- Government of Newfoundland and Labrador, specifically the Department of SWSD
- 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 seniors for rehabilitation
- Law Enforcement; RNC
- The public.

Shared Commitments

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 lunch time Monday to Friday to provide physical activity classes and inclusive sports games 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 Kids Program effectively demonstrates promotion of the Provincial Government's objective to increase access to recreation and sport for children and youth
- The NLSC's Active Kids 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 Kids Program helps to meet this goal.

NL Cardiac Rehabilitation Association

- The NL Cardiac Rehabilitation Association (NLCRA) operates a walking program at the NL Sports Centre that accommodates 100+ recuperating cardiac surgery patients, three days per week. This allows the NLSC to provide the opportunity for the NLCRA, who are overwhelmingly between 65 years of age and older, to gain access to quality recreation space to increase physical activity levels.

Allied Health Services, Memorial University

- Further to the development of the NL Sports Centre'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 the Sports Centre's High Performance Goals.

NL Rugby Union (NLRU)

- The NLRU in partnership with the NLSC operates 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 80 to 120 children per session and furthers the opportunities for enhanced participation by developing and promoting physical activity for even our youngest citizens.

Royal Newfoundland Constabulary (RNC)

- The RNC utilizes the NLSC as main facility for the training and recruitment.
- 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, Canadian Diabetes Association, Easter Seals and the Healthcare 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. With equipment and infrastructure assessments 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 to be conducted while ensuring 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 Combat Room at the NLSC for program delivery. The HP Program can also offer athletes access to 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 the Department of SWSD. The following represents the NLSC board's activities in support of these directions for fiscal year 2015-16. Two objectives have been identified in NLSC 2014-17 Activity Plan and these are reported on herein.

The objective, measure and the indicators below will be reported annually for the three years of the Activity Plan (2014-15, 2015-16 and 2016-17).

1. Objective

By March 31, 2016, 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 and Activities

As of March 31, 2016, the NLSC has undertaken the following activities:

Indicators - Planned for 2015-16	Actual Performance for 2015-16
Hosted sports events at all levels	<p>In 2015-16, 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, NLVA, Ultimate Frisbee 3. High School events for NLVA, NLBA and Ultimate 4. Hosted events for Not for Profit Charities such as Easter Seals, Health Care Foundation, Heart and Stroke. All events were health and fitness based activities. • Events were 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 Day 2. Memorial Seahawks Eastern Canadian Challenge 3. NLBA National Level Coaching Clinic • It is noted that events at a national and international level, for most Sports, are cyclical in nature and often hosts have between 5-10 years between hosting opportunities. It’s reasonable to have some years without hosting national or international competition.
Undertaken an equipment and infrastructure assessment to appropriately plan for future requirements	<p>In 2015-16, the NLSC has continued undertaking equipment and infrastructure assessments to appropriately plan for future requirements, as demonstrated below:</p> <ul style="list-style-type: none"> • Equipment and infrastructure assessment, planning and implementation included: <ol style="list-style-type: none"> 1. Completed review and replacement of lamps and ballasts to ensure lighting levels exceed standard for Provincial and National sporting events. 2. NLSC also undertook a review of exterior parking area lighting levels to mitigate vandalism. Lighting levels were increased through additional light poles and increased

Indicators - Planned for 2015-16	Actual Performance for 2015-16
	<p>power levels of existing light fixtures.</p> <ol style="list-style-type: none"> 3. Completed review of accessibility standards and undertook the installation of all necessary automatic door openers on interior and exterior doors. 4. Assessment of facilities indicated significant wear and tear of wall coverings in Rileys Room at the Dr. Noel Browne HP Centre. Full paint and plaster was undertaken to address issues. 5. Assessment of existing facilities highlighted the necessity to address the issue of operating at 100% capacity at prime time from September to May on a yearly basis. To address this issue the NLSC commenced construction of \$2.4M expansion to existing facilities to accommodate increased programming and infrastructure demands. 6. Full review of HVAC System undertaken to determine schedule for upgrade or rebuild with minimal program disruption and cost. 7. The NL Sports Centre continually assesses, renews and upgrades equipment as necessary and 2015-16 was no different. In the HP Centre, given the high levels of usage, equipment such as foam rollers, bands, med balls are continually 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 2015-16. In the Powerplex assessment is undertaken on ceiling suspended basketball nets and curtains as well as bleacher systems.
<p>Conducted a background review to determine policies required</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, and did so in 2015-16. The reviews in 2015-16 included:</p> <ol style="list-style-type: none"> 1. NLSC, with the assistance of Department of Justice and Public Safety, reviewed and revamped License Agreements necessary for all user groups of the NLSC and its facilities. 2. The NLSC endeavors to classify and remunerate

Indicators - Planned for 2015-16	Actual Performance for 2015-16
	<p>all its employees based on the GNL classification system where possible and similar positions exist. In 2015-16 the NLSC reviewed all staff positions with respect to classification and reclassified where necessary.</p> <p>Work continues for the further development and implementation policies specific to NLSC operations.</p>

2. Objective

By March 31, 2016 the NL Sports Centre will have provided programming support for the elite and High Performance athletes of Newfoundland and Labrador.

Measure

Provided programming support for the elite and High Performance athletes of Newfoundland and Labrador.

Indicators and Activities

As of March 31, 2016, the NLSC has undertaken the following activities:

Indicators - Planned for 2015-16	Actual Performance for 2015-16
<p>Targeted Teams and Athletes active in High Performance Program</p>	<p>In 2015-16, the NLSC targeted teams and athletes active in the High Performance Program for increased investment and 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 teams and athletes, which was determined by consultation with Provincial Sports Organization 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 Program for Winnipeg 2017, 5 sports were identified as Top 6 potential at the Canada Games. • 12 of 18 potential teams took part in the CG HP Program and 9 of these teams had good compliance.

Indicators - Planned for 2015-16	Actual Performance for 2015-16
Provision of a facility with necessary equipment and infrastructure for HP training.	<p>In 2015-16, the NLSC ensure 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"> • Began construction of 2500 Square Foot expansion to existing Riley’s Room Strength and Conditioning Room in the Dr. Noel Browne HP Centre. This new space will further training opportunities and quality. • The NL Sports Centre continually renews and upgrades equipment for HP training as necessary, and 2015-16 was no different. Given the high levels of usage, equipment such as foam rollers, bands, med balls, weighted vests and Total Body Resistance Exercise (TRX) systems are continually 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 2015-16. • Facilities and equipment were (and continue to be) at a high standard for HP Training. • Sports Centre staff ensured scheduling of use by teams is appropriate to spatial limitations of training facilities ensuring Riley’s Room does not exceed 20 athletes at any given time.
Established linkages with HP Sport partners. (Canadian Sports Centre Atlantic and other Atlantic Provinces)	<p>In 2015-16, the NLSC established linkages with HP Sport Partners:</p> <ul style="list-style-type: none"> • Meetings were (and continue to be) held monthly with representatives from three other Atlantic provinces concerning Canada Games Sports Science. • As with other Canadian Sport Centres across Canada - including Atlantic Canada - linkages have been developed with Sports Science Service Providers in areas such as Sports Nutrition, Mental Training and Sports Therapy (Physiotherapy, Massage and Chiropractor).

Indicators - Planned for 2015-16	Actual Performance for 2015-16
	<ul style="list-style-type: none"> • Strategic discussions are also undertaken on how to target sports and athletes to further enhance opportunities for success at National Level.

In 2015-16, the NLSC has met the indicators outlined for both objectives and there are no variances to be reported.

As noted before the reporting, the objectives, measures and indicators for 2015-16 will also be reported on in 2016-17.

Opportunities and Challenges Ahead

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

Opportunities:

Objective 1:

- Newfoundland and Labrador is scheduled to host the Canada Summer Games in 2025. This provides the NLSC with the potential to serve as host venue providing a significant opportunity which must be considered in the near future for infrastructure requirements.
- NLSC is currently undertaking two new expansions to existing facilities of 9500 square feet in total. These new facilities will provide an opportunity for increased capacity for programming and revenue. Both the HP Program and the Active Kids Program will benefit from the extra space.
- With no major National Events hosted in 2014 or 2015, opportunity now exists for PSO's to attract major competitions in next number of years as part of the normal cycles for hosting national events.

Objective 2:

- In October 2015 the Government of NL 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 Recreation and Sport Division in the new Department of Children, Seniors and Social Development (as of August 2016) to ensure the assignment of making recommendations for increased performance and best practices for Team NL as outlined by the Canada Games Task Force Committee for every future Canada Games. The opportunity will be capitalizing on the recommendations as outlined by the Task Force.

Challenges:

Objective 1

- With the construction on the NLSC having been in 2008, the facility will undergo frequent challenges with respect to aging infrastructure and equipment. NLSC management and staff need to conduct regular inspections to ensure building and programs can perform at a high level without interruption.
- The NLSC will be diligent in the management of operating grants.

Objective 2:

- 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. Even though NL's hosting rights have been deferred from 2021 to 2025, momentum with respect to the 2015 CG Task Force Report must be maintained.

- Commitment of the PSOs to the Canada Games HP Program remains less than adequate; this jeopardizes the opportunity for HP Program to positively impact Canada Games Athletes. Compliance and commitment by PSOs with respect to the High Performance Program remains a major challenge to the success of the program.

Appendix 1: Audited Financial Statements

**NEWFOUNDLAND AND LABRADOR
SPORTS CENTRE INC.**

FINANCIAL STATEMENTS

MARCH 31, 2016

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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, 2016, 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 expenditures, and cash flows from operations for the year ended March 31, 2016, current assets and net assets as at March 31, 2016.

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, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

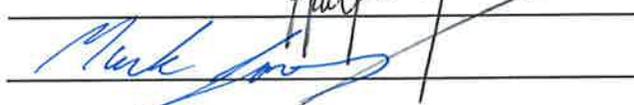

Chartered Professional Accountants
St. John's, NL
September 26, 2016

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Financial Position Year Ended March 31, 2016

	2016	2015
FINANCIAL ASSETS		
Cash	\$ 233,668	\$ 327,373
Temporary investments	572,933	316,586
HST receivable	10,484	-
Accounts receivable	226,489	20,923
	1,043,574	664,882
LIABILITIES		
Payables and accruals (Note 4)	441,653	33,388
Government remittances payable	-	388
Deferred contributions (Note 5)	619,501	362,263
	1,061,154	396,039
Net financial assets (liabilities)	(17,580)	268,843
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 6)	\$ 6,699,197	\$ 6,492,026
Prepaid expenses	5,560	3,848
	6,704,757	6,495,874
ACCUMULATED SURPLUS	\$ 6,687,177	\$ 6,764,717
Accumulated surplus comprised of:		
Unrestricted net assets	\$ 6,687,177	\$ 6,764,717

On Behalf of the Board:

Chairperson

Director

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Operations and Accumulated Surplus Year Ended March 31, 2016

	Budget 2016 (Unaudited)	2016	2015
REVENUES			
Government grants	\$ 424,000	\$ 431,600	\$ 532,000
Rental	170,000	200,807	173,708
Miscellaneous	2,600	1,783	2,659
Donation	-	17,800	21,265
Interest	4,500	6,347	4,699
	601,100	658,337	734,331
EXPENDITURES			
Advertising and promotion	\$ 1,250	\$ 504	\$ 934
Amortization	192,334	194,865	192,334
Insurance	5,500	5,542	5,336
Interest and bank charges	200	150	172
Memberships	200	194	188
Miscellaneous	4,000	2,862	2,758
Office	8,000	3,139	3,490
Online booking maintenance	1,900	2,162	1,544
Professional fees	5,600	4,809	6,194
Property taxes	2,400	2,303	2,235
Rental	1,000	-	852
Repairs and maintenance	58,550	50,659	56,152
Salaries and wages	324,000	335,361	309,598
Security	1,500	737	1,158
Supplies	33,300	19,619	23,046
Telephone	1,300	1,609	860
Training	1,000	1,090	1,152
Utilities	126,650	109,695	121,171
Vehicles	2,000	577	1,931
	770,684	735,877	731,105
ANNUAL SURPLUS (DEFICIT)	\$ (169,584)	\$ (77,540)	\$ 3,226
Accumulated surplus, beginning of year		6,764,717	6,761,491
Accumulated surplus, end of year		\$ 6,687,177	\$ 6,764,717

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.**Statement of Changes in Net Financial Assets
Year Ended March 31, 2016**

	Budget 2015 (Unaudited)	2016	2015
Annual surplus (deficit)	\$ (169,584)	\$ (77,540)	\$ 3,226
Changes in tangible capital assets			
Acquisition of tangible capital assets	-	(402,036)	(152,087)
Amortization of tangible capital assets	-	194,865	192,334
	-	207,171)	40,247
Change in other non-financial assets			
Net acquisition of prepaid expenses	-	(1,712)	2,326
	-	(1,712)	2,326
Increase (decrease) in net financial assets	(169,584)	(286,423)	45,799
Net financial assets, beginning of year	268,843	268,843	223,044
Net financial assets, end of year	\$ 99,259	\$ (17,580)	\$ 268,843

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Statement of Cash Flows Year Ended March 31, 2016

	2016	2015
Operating transactions		
Cash receipts from government and customers	\$ 687,490	\$ 777,837
Cash paid to suppliers and employees	(145,182)	(566,817)
Donations received	17,800	21,265
Interest received	4,720	4,269
Interest and bank charges paid	(150)	(172)
Cash provided by operating transactions	564,678	236,382
Capital transactions		
Purchase of capital assets	(402,036)	(152,087)
Cash used in capital transactions	(402,036)	(152,087)
Increase in cash during year	162,642	84,295
Cash position, beginning of year	643,959	559,664
Cash position, end of year	\$ 806,601	\$ 643,959
Cash consists of:		
Cash	\$ 233,668	\$ 327,373
Temporary investments	572,933	316,586
	\$ 806,601	\$ 643,959

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements Year Ended March 31, 2016

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.

Financial instruments

The organization's financial instruments recognized in the statement of financial position consist of cash, receivables, temporary investments, payables and accruals, and government remittance 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. Transaction costs and any gains or losses arising from changes in fair value are recognized immediately in the statement of revenues and expenditures. 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, receivables, temporary investments, payables and accruals, and government remittance payable approximates its fair value due to the immediate or short term maturity of these instruments

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.

Assets under construction are not amortized until the asset is available for productive use.

NEWFOUNDLAND AND LABRADOR SPORTS CENTRE INC.

Notes to the Financial Statements**March 31, 2016****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**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.

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.

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, 2016

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, 2016.

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

	2016	2015
Accounts payable	\$ 436,903	\$ 19,762
Accrued liabilities	4,750	5,293
Accrued salary and benefits	-	8,333
	\$ 441,653	\$ 33,388

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 March 31, 2016

6. CAPITAL ASSETS

					2016
	Land	Building under construction	Building	Equipment	Total
Cost					
Opening balance	\$ 280,000	\$ -	\$ 7,620,407	\$ 548,610	\$ 8,449,017
Additions	-	402,036	-	-	402,036
Closing balance	280,000	402,036	7,620,407	548,610	8,851,053
Accumulated amortization					
Opening balance	-	-	1,417,092	539,899	1,956,991
Amortization	-	-	190,510	4,355	194,865
Closing balance	-	-	1,607,602	544,254	2,151,856
Net book value	\$ 280,000	\$ 402,036	\$ 6,012,805	\$ 4,356	\$ 6,699,197
2015					
	Land	Building under construction	Building	Equipment	Total
Cost					
Opening balance	\$ 280,000		\$ 7,468,320	\$ 548,610	\$ 8,296,930
Additions	-		152,087	-	152,087
Closing balance	280,000		7,620,407	548,610	8,449,017
Accumulated amortization					
Opening balance	-		1,229,113	535,544	1,764,657
Amortization	-		187,979	4,355	192,334
Closing balance	-		1,417,092	539,899	1,956,991
Net book value	\$ 280,000		\$ 6,203,315	\$ 8,711	\$ 6,492,026

7. BUDGET FIGURES

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