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Financial statements of  
Canadian Sport Institute  
Pacific Society

March 31, 2020

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Independent Auditor's Report	1-2
Statement of financial position	3
Statement of operations and changes in fund balances	4
Statement of cash flows	5
Notes to the financial statements	6-12
Schedule of Sport Canada revenue and total expenditures	13

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## Independent Auditor's Report

To the Members of  
Canadian Sport Institute Pacific Society

### Opinion

We have audited the financial statements of Canadian Sport Institute Pacific Society (the "Society"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, these financial statements are presented on a basis consistent with that of the previous year.

### Responsibilities of Management and those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

Chartered Professional Accountants  
June 23, 2020  
Vancouver, British Columbia

**Canadian Sport Institute Pacific Society**  
**Statement of financial position**  
As at March 31, 2020

	Operating \$	Operating reserve \$	Invested in property and equipment \$	National Game Plan \$	Restricted for specified fund use			2020 Total \$	2019 Total \$
					Coach Services \$	Donations \$	Specific Projects \$		
Notes (Note 6)									
<b>Assets</b>									
Current assets									
Cash	73,173	500,000	—	572,800	159,122	28,628	346,287	1,680,010	1,404,242
Accounts receivable	150,244	—	78,245	—	12,904	—	161,663	403,056	418,794
Interfund receivable	78,245	—	—	—	—	—	—	78,245	—
Prepaid expenses	78,883	—	—	1,162	—	—	37,292	117,337	167,073
	<b>380,545</b>	<b>500,000</b>	<b>78,245</b>	<b>573,962</b>	<b>172,026</b>	<b>28,628</b>	<b>545,242</b>	<b>2,278,648</b>	<b>1,990,109</b>
Property and equipment	—	—	342,066	—	—	—	—	342,066	407,146
	<b>380,545</b>	<b>500,000</b>	<b>420,311</b>	<b>573,962</b>	<b>172,026</b>	<b>28,628</b>	<b>545,242</b>	<b>2,620,714</b>	<b>2,397,255</b>
<b>Liabilities</b>									
Current liabilities									
Accounts payable and accrued liabilities	78,663	—	—	175,409	—	—	90,126	344,198	351,048
Interfund payable	—	—	78,245	—	—	—	—	78,245	—
Deferred revenue	—	—	—	—	—	—	45,537	45,537	39,260
	<b>78,663</b>	<b>—</b>	<b>78,245</b>	<b>175,409</b>	<b>—</b>	<b>—</b>	<b>135,663</b>	<b>467,980</b>	<b>390,308</b>
Commitments									
Economic dependence									
<b>Fund balances</b>									
Invested in property and equipment	—	—	342,066	—	—	—	—	342,066	407,146
Restricted for specified fund use	—	—	—	398,553	172,026	28,628	409,579	1,008,786	880,798
Internally restricted for operations	—	500,000	—	—	—	—	—	500,000	500,000
Unrestricted	301,882	—	—	—	—	—	—	301,882	219,003
	<b>301,882</b>	<b>500,000</b>	<b>342,066</b>	<b>398,553</b>	<b>172,026</b>	<b>28,628</b>	<b>409,579</b>	<b>2,152,734</b>	<b>2,006,947</b>
	<b>380,545</b>	<b>500,000</b>	<b>420,311</b>	<b>573,962</b>	<b>172,026</b>	<b>28,628</b>	<b>545,242</b>	<b>2,620,714</b>	<b>2,397,255</b>

The accompanying notes are an integral part of the financial statements.

Approved by the Board

*Lance Macdonald*, Director

*Chris Ireland*, Director



**Canadian Sport Institute Pacific Society**  
**Statement of cash flows**

Year ended March 31, 2020

	Operating	Operating reserve	Invested in property and equipment	National Game Plan	Coach Services	Restricted for specified fund use	Specific Projects	Total 2020	Total 2019
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Operating activities</b>									
Excess (deficiency) of revenues over expenditures	157,879	—	(65,080)	85,243	(58,875)	5,546	21,074	145,787	(79,842)
Amortization of property and equipment	—	—	119,061	—	—	—	—	119,061	141,638
Interfund transfers	(75,000)	—	—	—	75,000	—	—	—	—
	82,879	—	53,981	85,243	16,125	5,546	21,074	264,848	61,796
Changes in non-cash items									
Accounts receivable	138,553	—	(78,245)	—	(8,996)	—	(35,574)	15,738	(5,742)
Prepaid expenses	36,893	—	—	(1,162)	359	—	13,646	49,736	(86,345)
Accounts payable and accrued liabilities	(195,555)	—	—	102,192	(500)	—	87,013	(6,850)	146,679
interfund balances	(78,245)	—	78,245	—	—	—	—	78,245	—
Deferred revenue	(39,260)	—	—	—	—	—	45,537	6,277	(7,102)
	(54,735)	—	53,981	186,273	6,988	5,546	131,696	407,994	109,286
<b>Investing activity</b>									
Acquisition of property and equipment	—	—	(53,981)	—	—	—	—	(53,981)	(164,009)
Increase (decrease) in cash	(54,735)	—	—	186,273	6,988	5,546	131,696	354,013	(54,723)
Cash, beginning of year	127,908	500,000	—	386,527	152,134	23,082	214,591	1,404,242	1,458,965
<b>Cash, end of year</b>	<b>73,173</b>	<b>500,000</b>	<b>—</b>	<b>572,800</b>	<b>159,122</b>	<b>28,628</b>	<b>346,287</b>	<b>1,758,255</b>	<b>1,404,242</b>

The accompanying notes are an integral part of the financial statements.

# Canadian Sport Institute Pacific Society

## Notes to the financial statements

March 31, 2020

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### 1. Purpose of the organization and economic dependence

The Canadian Sport Institute Pacific Society (the "Society") was incorporated on September 12, 2000 and operates under authority of the Societies Act of British Columbia. The Society is a Registered Canadian Amateur Athletic Association under the Income Tax Act (Canada) and is exempt from income taxes. The Society is dedicated to providing programs and services to high performance Canadian athletes and coaches enabling them to compete at the international level.

During the current year, \$1,634,500 (\$1,634,500 in 2019) of the Society's revenues were derived from viaSport BC Society while \$3,579,148 (\$3,725,226 in 2019) were derived from Sport Canada. Without these funding sources, it is unlikely that the Society would remain a going concern.

### 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies:

#### (a) Fund accounting

- The Society follows the restricted fund method of accounting for contributions.
- The Operating fund reports the assets, liabilities, revenues and expenditures related to the Society's operating activities, and any restricted funding for which a separate fund has not been established. Funding from all sources, including viaSport BC Society and Sport Canada, intended for general operations are included in this fund.
- The Operating Reserve is to be used to safeguard the Society from interruptions to its operations due to the irregularity of payment schedules associated with its funding partners.
- Invested in property and equipment reports the assets, liabilities, revenues and expenditures related to the Society's property and equipment activities.
- National Game Plan reports the assets, liabilities, revenues and expenditures related to funds received from third parties designated to support this program.
- Coach Services reports the assets, liabilities, revenues and expenditures related to funds received from third parties designated to support this program.
- Donations reports the assets, liabilities, revenues and expenditures relating to contributions received from individual donors for specified purposes.
- Specific Projects reports the assets, liabilities, revenues and expenditures related to funding received from third parties designated to be spent on specific projects. Specific projects include Canadian Sport School and research projects for which restricted funding is received.

#### (b) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value when the Society becomes a party to the contractual provisions of a financial instrument. Subsequently, investments in equity instruments quoted in an active market are measured at fair value and all other financial instruments are measured at amortized cost.



## Canadian Sport Institute Pacific Society

### Notes to the financial statements

March 31, 2020

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## 2. Significant accounting policies (continued)

### (b) Financial instruments (continued)

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations as interest income or expense.

With respect to financial assets measured at amortized cost, the Society recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases, and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed in the statement of operations in the period the reversal occurs.

### (c) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided on a declining balance basis over their estimated useful lives with one-half of the rates taken in the year of acquisition on the following basis:

Sport equipment	15% and 30%
Computers	30%
Software	20%
Vehicles	30%
Furniture and equipment	20%

Amortization of leasehold improvements is provided on a straight-line basis over the term of the leases.

The Society reviews property and equipment for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Society or no longer contributes to the Society's ability to provide services. The amount of the impairment, if any, is determined as the excess of the carrying value of the asset over its estimated fair value. No impairment losses have been identified by the Society for the year ended March 31, 2020.

### (d) Revenue recognition

Revenue is recognized when contributions or sponsorships are received or receivable except in the following circumstances:

- The contributions or sponsorships received relate to operations of a future fiscal period if the amount to be received can be reasonably estimated and collection is reasonably assured or;
- Restricted contributions received for which a separate fund is not established are recognized in revenue in the operating fund in the period the related expenses are incurred.

## Canadian Sport Institute Pacific Society

### Notes to the financial statements

March 31, 2020

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## 2. Significant accounting policies (continued)

### (d) Revenue recognition (continued)

Funding received, and transferred to other organizations, for programs for which the Society does not have primary responsibility are not recognized in the statement of operations.

The Society makes use of volunteers in the delivery of certain programs and administration services. Because of the difficulty determining their fair value, contributed services of volunteers are not recognized in the financial statements.

### (e) Allocation of expenses

Expenditures are recorded on an accrual basis and are charged to programs according to the activity that they benefit.

The Society also incurs general expenses that are common to the administration of the Society and its programs. The Society allocates its general expenses by identifying the appropriate basis of each component expense and applies that basis consistently each year.

General expenses relate to rent and certain management compensation and have been allocated based on actual usage and cost. The basis of allocation is reviewed annually during budget preparation and may be revised according to changing requirements.

Additional disclosures are included in Note 9.

### (f) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency have been translated into Canadian dollars at the period end exchange rate. Revenues and expenses denominated in a foreign currency have been translated at the rate of exchange prevailing at the transaction date. Exchange gains or losses arising on these transactions are included in the statement of operations and changes in fund balances in the period incurred.

### (g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

## Canadian Sport Institute Pacific Society

### Notes to the financial statements

March 31, 2020

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### 3. Adoption of new and revised accounting standards for not-for-profit organizations ("ASNPO")

The Society adopted the following new and revised accounting standards in these financial statements:

(a) *Adoption of Section 4433, Tangible Capital Assets Held by Not-for-Profit Organizations*

Effective April 1, 2019, the Society adopted Section 4433 on a prospective basis. The standard outlines how to account for the cost of contributed tangible capital assets, the amortization of tangible capital assets, the recognition of partial impairments of tangible capital assets and the disclosure of impairment losses.

The Society elected not to apply the requirements for componentization of property and equipment held at April 1, 2019 and hence did not allocate the costs of property and equipment and related amortization to the component parts of property and equipment held at April 1, 2019.

The Society has determined that the adoption of this standard did not have a material impact on the financial statements.

(b) *Adoption of Section 4434, Intangible Assets Held by Not-for-Profit Organizations*

Effective April 1, 2019, the Society adopted Section 4434, on a prospective basis. The standard outlines how to account for the recognition of partial impairments of intangible assets and the disclosure of impairment losses.

The Society holds computer software. The Society has determined that the adoption of this standard did not have a material impact on the financial statements.

### 4. Property and equipment

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2020 Net book value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Sport equipment	<b>2,314,433</b>	<b>2,105,290</b>	<b>209,143</b>
Computers	<b>486,656</b>	<b>435,812</b>	<b>50,844</b>
Software	<b>218,823</b>	<b>194,132</b>	<b>24,691</b>
Leasehold improvements	<b>111,234</b>	<b>111,234</b>	<b>—</b>
Vehicles	<b>129,032</b>	<b>124,034</b>	<b>4,998</b>
Furniture and equipment	<b>220,861</b>	<b>168,472</b>	<b>52,389</b>
	<b>3,481,039</b>	<b>3,138,974</b>	<b>342,065</b>

## Canadian Sport Institute Pacific Society

### Notes to the financial statements

March 31, 2020

#### 4. Property and equipment (continued)

	Cost	Accumulated amortization	2019 Net book value
	\$	\$	\$
Sport equipment	2,305,665	2,022,631	283,034
Computers	473,799	416,777	57,022
Software	215,177	188,415	26,762
Leasehold improvements	111,234	111,234	—
Vehicles	129,032	121,891	7,141
Furniture and equipment	192,151	158,964	33,187
	<u>3,427,058</u>	<u>3,019,912</u>	<u>407,146</u>

#### 5. Ancillary facility

The Society has an authorized ancillary facility with TD Canada Trust ("TD"). TD has made available TD Visa Business cards with an aggregate limit of \$150,000 of which \$13,803 is included in accounts payable at year end (\$32,053 in 2019).

#### 6. Donations

During the year, the Society received and disbursed the following externally restricted contributions:

	Olympians Canada	Pacific Sport Rising Star	Home Team Advantage	Aboriginal Youth Sport Legacy	Ethan Carimichael Memorial	Total
	\$	\$	\$	\$	\$	\$
Balance, March 31, 2018	2,289	3,105	18,895	—	—	24,289
Additions	—	3,082	4,939	41,000	700	49,721
Disbursements	(2,289)	(2,000)	(4,939)	(41,000)	(700)	(50,928)
Balance, March 31, 2019	—	4,187	18,895	—	—	23,082
Additions	—	3,199	11,536	31,000	—	45,735
Disbursements	—	(3,000)	(6,189)	(31,000)	—	(40,189)
Balance, March 31, 2020	<u>—</u>	<u>4,386</u>	<u>24,242</u>	<u>—</u>	<u>—</u>	<u>28,628</u>

#### 7. Commitments

(a) The Society has a sublease for the premises of its facilities at the Whistler Athlete Centre in Whistler, B.C. until August 31, 2024. Estimated minimum lease obligations are as follows:

	\$
2021	206,429
2022	183,824
2023	183,824
2024	183,824
	<u>757,901</u>

## Canadian Sport Institute Pacific Society

### Notes to the financial statements

March 31, 2020

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#### 7. Commitments (continued)

- (b) The Society has a lease for premises at the Pacific Institute for Sport Excellence in Victoria, B.C. until March 31, 2021. Estimated minimum lease obligations are as follows:

	<u>\$</u>
2021	<u>293,152</u>

- (c) The Society has a sublease for premises at the University of British Columbia in Vancouver, B.C. until August 31, 2022. The Society also has a sublease for premises of its offices in Richmond, BC until August 31, 2021. Estimated minimum lease obligations are as follows:

	<u>\$</u>
2021	63,000
2022	48,417
2023	<u>15,833</u>
	<u>127,250</u>

#### 8. Financial instruments

The Society's financial instruments are comprised of cash, accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency, market, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values due to their short-term maturity.

#### 9. Allocation of expenses

Rent and human resources expenses of \$640,250 (\$619,248 in 2019) have been allocated to Performance Services and Talent Development.

#### 10. Defined contribution plan

The Society provides a defined contribution plan in the form of an RRSP contribution of 3% of gross salary for eligible employees. During the year ended March 31, 2019, RRSP expenses related to this plan were \$100,233 (\$99,831 in 2019).

#### 11. Remuneration to directors, employees and contractors

The directors of the Society provide their services on a volunteer basis and receive no remuneration.

The ten most highly remunerated employees and contractors of the Society who each received remuneration equal to or in excess of \$75,000 received remuneration in the aggregate amount of \$1,439,295 during the year ended March 31, 2020 (\$1,284,780 in 2019).

## **Canadian Sport Institute Pacific Society**

### **Notes to the financial statements**

March 31, 2020

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#### **12. Other reporting requirements**

The schedule to the financial statements relates to specific reporting requirements of Sport Canada. The Society is required to provide a schedule of Sport Canada revenues and total expenditures incurred based on the categories of the Sport Canada contribution agreement.

**Canadian Sport Institute Pacific Society**  
**Schedule of Sport Canada revenue and total expenditures**

Year ended March 31, 2020

	Administration	Governance	Core Contribution Salaries and benefits	Official languages	Operations and programming	Enhanced Excellence Salaries fees and benefits	Above Core Operations and programming	Non-Reference Gender Equity Equipment	NextGen Operations and programming	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>	70,300	10,000	272,955	11,500	350,000	2,617,047	120,000	114,071	13,275	3,575,148
<b>Expenditures</b>										
Performance services										
Performance preparation						2,367,452				2,367,452
Human resources					991,268			78,245	33,678	1,103,191
Operations						11,960				11,960
Integrated Support Team operations										
Performance analysis						395,298				395,298
Human resources					11,636					(12,628)
Operations										
Performance readiness						755,495				755,495
Human resources					52,046		454,980			507,026
Operations					1,054,950	3,530,205	454,980	78,245	33,678	5,127,794
Talent development										
Talent development						219,432		35,826		255,258
Human resources					128,595					128,595
Operations										
Athlete Coach Services						445,916				445,916
Human resources				11,470	108,568					120,038
Operations				11,470	237,163	665,348		35,826		949,807
Business operations and administration										
Communications			80,150							80,150
Human resources					72,820					72,820
Operations										
Finance and operations			451,511				10,000			461,511
Human resources										525,065
Operations	489,440	35,625	531,661		72,820		10,000			1,139,546
	489,440	35,625	531,661	11,470	1,364,933	4,195,553	464,980	114,071	33,678	7,217,147
<b>Deficiency of revenue over expenditures</b>	(419,140)	(25,625)	(258,706)	30	(1,014,933)	(1,578,506)	(344,980)		(20,403)	(3,637,999)