



## MEMORANDUM

To: PSO Senior Volunteers and Staff  
From: Rob Newman - President and CEO, Sport BC  
Date: Wednesday, May 24, 2017  
Subject: 2017 Sport BC Annual General Meeting (5-day package)

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Dear Sport BC Members,

Sport BC is pleased to announce the 2017 Sport BC Annual General Meeting.

**Date: Monday, May 29, 2017**

**Time: 5:00 pm - 6:15 pm Registration and social event**  
**6:15 pm – 9:00 pm Annual General Meeting**

**Location: Richmond Olympic Oval**  
**6111 River Road Richmond, BC V7C 0A2**

In preparation for the 2017 Sport BC Annual General Meeting, the following documents are included in this package:

1. Draft Agenda
2. 2016 Draft Minutes
3. 2017 – 2018 Board of Directors Nominations
4. Sport BC Consolidated Financial Statements
5. AGM Registration Form

The Sport BC Constitution and By-laws are available on our website at [www.sportbc.com](http://www.sportbc.com) under “Membership - Annual General Meeting”. If you require a hard copy please contact Christine Wong, Executive Assistant, at 604-333-3421.

Please note:

- **If you have not done so already, please submit your registration form as soon as possible.**
- The draft 2016 Annual General Meeting minutes are available on the Sport BC website at [www.sportbc.com](http://www.sportbc.com) under “Membership – Annual General Meeting”.

Enclosures



**2017 Sport BC Annual General Meeting  
Richmond Olympic Oval  
Monday, May 29, 2017  
6:15 pm – 9:00 pm**

**AGENDA**

5:00 pm – 6:15 pm  
6:15 pm – 9:00 pm

Registration and Social  
Annual General Meeting

1. Call to Order
2. Establish Presence of Quorum & Voting Rules
3. Adoption of Agenda  
**Motion:** The membership approve of the agenda as presented.
4. Approval of Minutes of 2016 AGM  
**Motion:** The membership approve of the minutes of the 2016 AGM.
5. Business arising from 2016 AGM
6. Chair Remarks
7. CEO Remarks
8. Standing Committee Reports
  - a. Governance Committee  
**Motion:** The membership accepts the base membership fee for full members will remain the same in 2017-2018.  
  
**Motion:** The membership accepts the Governance Committee Report as presented.
  - b. Finance & Audit Committee
    - i. Audited Financial Statements for the year ending March 31, 2017  
**Motion:** The audited consolidated financial statements for the year ended March 31, 2017 be accepted.  
  
**Motion:** That KPMG LLP, or other auditors as approved by the Board of Directors, be appointed to perform an audit of Sport BC for the year 2017/2018 and the Board of Directors be empowered to set the remuneration.
    - ii. Presentation of approved budget – year ending March 31, 2018  
**Motion:** The membership accepts the Finance & Audit Committee report as presented.
9. Ad-Hoc Committee Reports
  - a. Athlete of the Year Committee  
**Motion:** The membership accepts the Athlete of the Year Committee Report as presented.

## **MEETING MINUTES**

### **1. Call to Order**

The meeting convened at 9:10 am. The board was all in attendance, with the exception of Peter Spencer. The minimum 1/3 of members were in attendance and quorum was declared. Chair called the meeting to order. Chair thanked everyone for attending. She also appointed Christine Wong as secretary. Chair went over the voting rules: Full members are represented by a voting delegate; no member may have more than one vote; each director received one vote except for election of directors; and should there be a tie, the chair will also receive one vote. Quorum was declared.

### **2. Adoption of Agenda**

**MOTION:** To adopt the agenda as presented.

**MOVED:** Scott Braley, Curl BC

**SECONDED:** Mark Saunders, Field Hockey BC

**CARRIED**

### **3. Approval of Minutes of 2015 AGM**

**MOTION:** To approve the minutes of the 2015 Annual General Meeting as circulated.

**MOVED:** Brian Forrester, Gymnastics BC

**SECONDED:** Rob Brown, BC Soccer

**CARRIED**

### **4. Business arising from 2015 AGM**

Chair noted items of membership review, board minutes to be posted on website once approved also, the nominations committee had recommendations that were not carried through but will be addressed in the 2016 year.

### **5. Chair's Remarks**

Chair provided comments on the repayment of the debt that also includes the end of the BCIT lease. Chair acknowledged the CEO and staff for their work. Chair also provided positive comments of the success of the recent FIFA Fan Zone, 50<sup>th</sup> Athlete of the Year Awards and upcoming Americas Masters Games.

### **6. CEO's Remarks**

CEO, Rob Newman, introduced Sport BC, KidSport and SBC Insurance staff. He also introduced the Board of Directors and thanked them for their support. He gave positive comments of Sport BC retiring the 7-figure debt load and will now be in a position to re-establish position within the sport sector. CEO thanked the membership and MSO's for their ongoing support, including CEO of ViaSport, Sheila Bouman who was in attendance and Bryna Kopelow of JW Sporta, Kathy Shabaz representing SportMed BC and Kelly Mann of BC Games Society. CEO emphasized the possibilities of new relations in the coming year. The 50<sup>th</sup> Athlete of the Year introduction video was presented to the membership.

### **7. Standing Committee Reports**

#### **Governance Committee Report**

Chair (Dillen) introduced the Governance Committee lead by Chair, Greg White. Greg provided background on the work of the committee. He reported that the board of directors met seven times

**2016 Sport BC Annual General Meeting**  
**BCIT Downtown, 555 Seymour St, Vancouver, BC**  
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**9:00 am to 12:30 pm**



formally over the 2015-2016 year and the minutes have been posted to the website. White reviewed the membership categories and received direction from the membership to include MSOs. White gave an overview of the special resolutions (2) to the by-laws which was to be voted on. Voting for each special resolution require >75% of membership votes.

Kelly Mann of the BC Games Society presented the positive benefits on behalf of BC Games Society and BC School Sports of potentially becoming a member of Sport BC to the membership and board. Mann (BC Games Society), recommended to the current membership of the opportunities that the BC Games Society will be able to have access to, such as the National Sport Trust Fund. Mann discussed initiatives that BC Games Society is associated with including numerous sporting clubs across the province. Most MSOs are ineligible to form independent foundation as they were formally provincially appointed.

To replace 2.2.1 as follows:

2.2.1 The Provincial Sport Organization in British Columbia recognized under the authority of the Canadian National Sport Organization for that sport is eligible to be a voting member, if approved by the Directors.

And to add 2.2.2 as follows:

2.2.2 A BC registered society, organization or corporation operating as a Multi-Sport Organization in which coordinates a specific aspect of sport throughout British Columbia is eligible to be a member, if approved by the Directors.

\*Amendment to 2.2.1 as follows:

2.2.1 The Provincial Sport Organization in British Columbia recognized under the authority of the Canadian National Sport Organization for that sport **or BC Provincial Government** is eligible to be a voting member, if approved by the Directors.

\*Amendment to 2.2.2 as follows:

2.2.2 A BC registered society, ~~organization~~ or corporation operating as a Multi-Sport Organization in which coordinates a specific aspect of sport throughout British Columbia is eligible to be a member, if approved by the Directors.

**MOTION:** To accept amendment 2.2.1 of additional wording of “or BC Provincial Government”.

**MOVED:** John Berry (Baseball BC)

**SECONDED:** Mark Saunders (Field Hockey BC)

**CARRIED**

### **Finance & Audit Committee Report**

Chair of Finance & Audit Committee, Michael Berkeley introduced the committee, Mario Ramos and Brock Turner. Chair presented the committee’s report to the membership. Chair advised that KPMG was engaged to perform the field work and provided a clean audit. He gave an overview of the consolidated financial statements ending March 31, 2016. There should be an expected decrease in revenue coming from All Sport.

Chair advised that CEO presented the budget to the finance & audit committee in late February. The final budget was approved by the board on April 5. It was reported that the organization is to receive

decreased revenue from insurance operations as All Sport Insurance looks to reduce its dividend and management payments to Sport BC and invest funds in technology upgrades.

**8. Ad-Hoc Nominations Committee Report**

The nominations committee report was presented by Chair, Diana Chan. She gave an overview of the nominations committee report and put forward recommendations to the board. She provided recommendation of clarity of role of the nominations committee. Be it to solicit, recruit and recommend or to solicit, recruit and put forward all eligible candidates to sit as directors, clarity is needed for the committee. Diana provided recommendation for the need of the board to provide a succession plan to ensure a smooth transition of responsibilities and duties. The current structure of the by-laws does not allow for a smooth transition. She provided direction to the board to review the current by-laws and bring forth to the membership some amendments to correct it. Chair gave recommendation based on the strategic plan of Sport BC that the size of the board be increased to assist with succession. Overall, nominations went well in terms of candidates and skill sets.

Scott Braley, Curling BC, recommends that the nomination process should also be reviewed during the full review of by the bylaws. Specifically, he considers reviewing the deadline for submitting nominations.

**MOTION:** To accept the Nominations Committee Report be accepted as presented.

**MOVED:** Diana Chan, Basketball BC

**SECONDED:** John Berry, Baseball BC

**CARRIED**

**9. Resolutions from the board – (Motions to approve)**

**MOTION:** Be it resolved that the audited consolidated financial statements for the year ended March 31<sup>st</sup>, 2016 be accepted.

**MOVED:** Penny Gardner, Badminton BC

**SECONDED:** Brian Forrester, Gymnastics BC

**CARRIED**

**MOTION:** To appoint KPMG LLP, or other auditors as approved by the Board of Directors, to perform an audit of Sport BC for 2016/2017 and to empower the Board of Directors to set the remuneration.

**MOVED:** Diana Chan, Basketball BC

**SECONDED:** John Berry, Baseball BC

**CARRIED**

Carey Dillen advised that there were no changes or increases to membership dues for the coming year.

Gross Revenues	\$750,000 +	\$1,500.00 (Plus Tax)
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Gross Revenues	\$500,000 - \$749,999	\$1,300.00 (Plus Tax)
Gross Revenues	\$200,000 - \$499,999	\$ 950.00 (Plus Tax)
Gross Revenues	\$100,000 - \$199,999	\$ 650.00 (Plus Tax)
Gross Revenues	\$0 - \$99,999	\$ 500.00 (Plus Tax)

**MOTION:** To approve the base membership fees for Full Members for the year 2016-2017 as outlined.

**MOVED:** Brian McCalder, BC Athletics

**SECONDED:** Penny Gardner, Badminton BC

**CARRIED**

**MOTION:** To accept Special Resolution #1 and amend the constitution and by-laws.

**MOVED:** Brian Forrester, Gymnastics BC

**SECONDED:** Shelly Smee, BC Diving

**CARRIED**

Brian Forrester (Gymnastics), raised question of the impact of the affiliation that the NSO has on the existing PSOs. Greg White responds that there is no impact on any current members. Brian McCalder (Athletics), asked the question if there are any PSOs that are not affiliated with a NSO. Rob responded that there are none within the current membership.

Olav Naas (Deaf Sports), described his organization as having various different members and sports within their organization as an MSO. Raised question that if members wanted to join in with a PSO with a specialized sport, how would it overlap having one category over another and how would it impact their organization as they are only allotted into one membership category instead of having the opportunity. Olav wanted to represent their members to ensure the deaf issues of the community are represented.

Jane Blaine (Blind Sports), requested clarification on the consultation process with the members and what took place. Greg White responded that there was no formal consultation, the direction was to do a review and go back to the membership. This discussion takes between the board and governance committee.

Annabel Kehoe (BC Rugby Union), inquired if the governance and nominations committee did a compare and contrast process within the process. Greg White responded that the nominations committee researched the process and various models across Canada and all the provincial sport federations.

Mark Saunders (Field Hockey BC), followed up with Brian Forrester (Gymnastics BC) there are about eleven (11) that are not provincial sport organization members. Mark suggested that year one of the strategic plan is to accept four of the eleven organizations to be members but is interested in guidance to be provided by Sport BC. CEO responds that the board and committee felt it was opportune to bring the resolution forward regarding membership.

John Berry (Baseball) discussion in minutes in previous year, recognized by the NSO or add possibility of being recognized by provincial government to alleviate some issues with members. Greg White

clarifies to suggest “all recognized by provincial government”

“To add the wording in 2.1

#### **10. Strategic Planning Report**

Rob Newman provided the Strategic Planning report on behalf of Joanne Spalton. The strategic planning started in November and a planning session was held in January. There will be one last meeting in June and during this meeting, PSOs will be able to give feedback. There will also be a meeting with the stakeholders after the last strategic planning meeting. Sport BC is hoping to have a final document by the fall. Brian Forrester, Gymnastics BC, requested a clarification of the definition of Stakeholders.

#### **11. Affiliate Members Discussion**

Christine Bradstock, Executive Director of BC School Sports gave reasons why they would benefit from being an affiliate. Marilyn Payne of SportMed BC (MSO) also gave reasons why SportMed BC wants to be a part of the membership.

Sport BC Membership: Greg White of Athletics suggests that the board and membership go through a membership review process. Brian McCaldar also of Athletics acknowledged that the membership would be stronger as a collective. Shannon Higgins, President of Synchro BC felt it was mutually beneficial and was very interested in the addition. It would be best to put controls and guidelines for affiliate members. Scott Braley says to look back at what we had for affiliate membership.

**MOTION:** That the Board of Sport BC undertake a review to determine how to best involve those provincial organizations that are not currently eligible for SBC membership and that have goals and mandates aligned with Sport BC.

**MOVED:** John Berry, Baseball  
**SECONDED:** Scott Braley, Curl BC

**CARRIED**

#### **12. Business arising from 2015**

Greg White, BC Athletics, requested that that the board meeting minutes be circulated.

#### **13. 2017 AGM Date**

The date for next AGM is Monday, May 29, 2017.

#### **14. Election of Directors**

Greg White, Chair of the Governance Committee, referred to the nomination report in the handout materials.

As per Section 4.2.2 of Sport BC’s By-Laws, only individuals nominated and seconded by Voting (Full) Members, or a Director, shall be eligible to hold office. Nominations must be received no later than 30 days prior to the AGM. Nominations from the floor are not permitted. The position up for election this year is the Director-at-Large (2-year term) position.

The following positions and individuals were elected by acclamation to the Board:  
By acclamation:



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- a. Chair, 3-year term – Carey Dillen
- b. Vice Chair, 3-year term – Heather Holden
- c. Director-at-Large Finance and Audit, 2-year term – Michael Berkeley
- d. Director-at-Large, 1-year term – Debbie Pyne

The following individuals are up for election for the Director-at-Large, 2-year term position

- Blair Lowther
- Mario Ramos

Based on the election voting ballots, the individual voted for the Director-at-Large, 2-year position was Blair Lowther.

**MOTION:** To destroy ballots

**MOVED:** Brian McCalder, BC Athletics

**SECONDED:** Penny Gardner, Badminton BC

**CARRIED**

**15. Motion to Adjourn**

The Chair expressed his thanks to the staff and Board of Directors for Sport BC for their efforts during the year and thanked everyone for attending the meeting.

**MOTION:** To adjourn the 2016 Annual General Meeting.

**MOVED:** Peter Jackson, Rowing BC

**SECONDED:** Olav Naas, BC Deaf Sports

**CARRIED**

The meeting concluded at 11:00 am.



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**APPENDIX 1**

2016 Sport BC Annual General Meeting – VOTING Attendees List

Total Number of Attendees to Date: 22

**VOTING MEMBERS**

	<b>Last Name</b>	<b>First Name</b>	<b>Title</b>	<b>Organization</b>
1	Abney	Jordan	Executive Director	Squash BC
2	Barnes	Roger	President	BC Soccer
3	Benson	Rick	CEO	BC Softball
4	Berry	John	President	Baseball BC
5	Braley	Scott	CEO	Curl BC
6	Chan	Diana	President	Basketball BC
7	Finley	Jamie	President	BC Deaf Sports
8	Fitzpatrick	Jennifer	Executive Director	Rowing BC
9	Forrester	Brian	CEO	Gymnastics BC
10	Grenon	Tami	Vice-President	BC Blind Sports
11	Higgins	Shannon	President	Synchro BC
12	Jones	Thomas	President	Volleyball BC
13	Leslie	Wayne	Executive Director	BC Adaptive Snowsports
14	Lukas	Steven	President	BC Water Polo
15	Pyne	Debbie	Managing Director	BC Golf
16	Saunders	Liz	President	Horse Council BC
17	Saunders	Mark	Executive Director	Field Hockey BC
18	Soares	Carla	Associate Director	BC Hockey
19	Thomson	Katie	Executive Director	Judo BC
20	Toll	Greg	VP- Operation	BC Lacrosse
21	Wallis	Dan	Executive Director	Karate BC
22	White	Greg	Chair	BC Athletics
23	Wong	Raymond	Director-at-Large	Badminton BC

**APPENDIX 2**

**2016 Sport BC Annual General Meeting**  
**BCIT Downtown, 555 Seymour St, Vancouver, BC**  
**Saturday, May 28th, 2016**  
**9:00 am to 12:30 pm**



2016 Sport BC Annual General Meeting –Non-Voting Attendees List

Total Number of Attendees to Date: 10

**NON- VOTING LIST**

	<b>Last Name</b>	<b>First Name</b>	<b>Title</b>	<b>Organization</b>
1	Densmore	Chris	Executive Director	Volleyball BC
2	Gardner	Penny	Executive Director	Badminton BC
3	Hugill	Douglas	Treasurer	BC Deaf Sports
4	McCalder	Brian	President & CEO	BC Athletics
5	Soul	David	Executive Director	BC Water Polo
6	Johns	Lawrie	Executive Director	Basketball
7	Kopelow	Bryna	Executive Director	Action Schools! BC
8	Payne	Marilyn	Consultant	SportMed BC
9	Bradstock	Christine	Executive Director	BC School Sports
10	Blaine	Jane	Executive Director	BC Blind Sports

b. HR Committee

**Motion:** The membership accepts the HR Committee Report as presented.

c. Investment Committee

**Motion:** The membership accepts the Investment Committee Report as presented.

10. New Business

a. 2018 AGM Date

11. Election of Directors

a. Overview of Election process

b. Announcement of Directors for 2017 – 2018

12. Director Service Recognition

13. Adjournment

**Motion:** The membership approves the adjournment of the May 29, 2017 Annual General Meeting.

### Nominations

*(Received by the 30-day deadline before the 2017 Sport BC Annual General Meeting)*

#### **Lisa Kwiatkowski**

Lisa Kwiatkowski is a passionate leader who has contributed extensively to the sport system locally, nationally and internationally since her days as a UBC Human Kinetics Student.

She is currently the CEO of Motivate Canada - a national charitable organization focused on youth-driven development. Having served as a board member and past-Chair of Motivate Canada for 12 years, Lisa is a strong advocate and voice for empowering young people to create and lead positive change in their communities utilizing the power of sport.

In her previous position as Manager of Venue Partnerships for UBC's Department of Athletics and Recreation, Lisa worked closely with both the provincial and national sport communities – in collaboration with the Vancouver Sport Hosting Partnership - to attract and deliver world class sport events to the region. She was also instrumental in the coordination and delivery of the inaugural Americas Masters Games which hosted eleven of its events on UBC campus.

Prior to her role at UBC, Lisa held leadership positions with the Sochi 2014, London 2012 and Vancouver 2010 Olympic and Paralympic Games' Organizing Committees. She was also a part of the Rick Hansen Foundation's 25<sup>th</sup> Anniversary campaign prior to leaving for London.

With a national scope in her current role at Motivate Canada, Lisa is interested in contributing to the BC sport sector to support continued partnership, innovation and values-based leadership. She is a proud Vancouver resident, who enjoys cycling (track and road), skiing, playing hockey and any other sport someone invites her to try.

#### **Greg White**

Greg has volunteered in sport and the community as vice-president of Triathlon BC, president of Pacific Spirit Triathlon Club, a triathlon official, director of 2008 Vancouver BG Triathlon World Championships, chair of Vancouver Sport Network, chair of Athletics Canada branch council, chair of BC Athletics and chair of Vancouver Fire & Rescue Services advisory committee. For the Vancouver 2010 Olympic Games, he managed a team of international client services volunteers. Previous to the Olympic Games, he supported the TELUS Vancouver & Victoria community boards as part of the TELUS community affairs team. As an age group athlete, he has participated in marathons, ultra-marathons and Ironman distance triathlons. He attended Trinity Western College and the University of British Columbia. He works with a BC non-profit housing society and lives in Vancouver.

Consolidated Financial Statements of

# **SPORT BC**

Year ended March 31, 2017



KPMG LLP  
Metro Tower I  
4710 Kingsway, Suite 2400  
Burnaby BC V5H 4M2  
Canada  
Telephone (604) 527-3600  
Fax (604) 527-3636

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Sport BC

### *Report on the Consolidated Financial Statements*

We have audited the accompanying consolidated financial statements of Sport BC, which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated 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 an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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



### Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Sport BC as at March 31, 2017 and its results of operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### *Report on Other Legal and Regulatory Requirements*

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year after giving effect to the correction of prior year errors as described in note 3.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

May 24, 2017

Burnaby, Canada



# SPORT BC

## Consolidated Statement of Financial Position

March 31, 2017, with comparative information for 2016

	2017	2016 (recast - note 3)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,402,636	\$ 1,187,933
Restricted cash (note 4)	162,347	298,397
Accounts receivable (note 5 and note 6)	3,256,478	552,340
Prepaid expenses	26,466	133,343
	<u>4,847,927</u>	<u>2,172,013</u>
Investments in related parties (note 6)	1	150,895
Capital assets (note 7)	13,341	32,139
	<u>\$ 4,861,269</u>	<u>\$ 2,355,047</u>

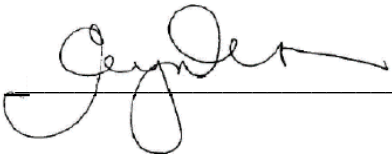
## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 1,006,683	\$ 729,418
Deferred contributions and other revenue (note 9)	238,120	482,062
Bank loan (note 13)	-	40,135
	<u>1,244,803</u>	<u>1,251,615</u>
Net assets	3,616,466	1,103,432
	<u>\$ 4,861,269</u>	<u>\$ 2,355,047</u>

Commitments (note 10)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

  
\_\_\_\_\_

Director

  
\_\_\_\_\_ Director

# SPORT BC

## Consolidated Statement of Operations and Changes in Net Assets

Year ended March 31, 2017, with comparative information for 2016

	2017	2016 (recast - note 3)
Revenue:		
Insurance premium commissions	\$ 546,989	\$ 657,924
2016 Americas Masters Games (note 17)	2,321,916	474,293
FIFA Fan Zone	-	1,023,611
Fees for services and other (note 15 and note 17)	214,002	441,079
Provincial funding (note 9 and note 14)	453,047	540,833
Membership fees	61,500	57,600
Corporate support, events and fundraising (note 16)	595,951	693,883
	4,193,405	3,889,223
Operating expenses:		
Insurance operations (note 11)	455,602	547,028
2016 Americas Masters Games (note 17)	2,321,916	474,293
FIFA Fan Zone	-	1,023,611
Financial services	276,377	270,090
Leadership and operations	155,041	159,883
Marketing and communications	127,561	135,065
KidSport™ BC (note 16)	936,820	1,110,653
	4,273,317	3,720,623
Excess (deficiency) of revenue over expenses before the undernoted	(79,912)	168,600
Equity earnings in Allsport Insurance Marketing Ltd. (note 6)	290,633	105,997
Gain on disposition of investment in Allsport Insurance Marketing Ltd. (note 6)	2,302,313	-
Lease surrender expense	-	(12,219)
	2,592,946	93,778
Excess of revenue over expenses	2,513,034	262,378
Net assets, beginning of year	1,103,432	841,054
Net assets, end of year	\$ 3,616,466	\$ 1,103,432

See accompanying notes to consolidated financial statements.

# SPORT BC

## Consolidated Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

	2017	2016 (recast - note 3)
Cash provided by (used in):		
Operating:		
Excess of revenue over expenses	\$ 2,513,034	\$ 262,378
Add (deduct) non-cash items:		
Amortization of capital assets	21,397	7,791
Equity earnings in Allsport Insurance Marketing Ltd. (note 6)	(290,633)	(105,997)
Gain on disposition of investment in Allsport Insurance Marketing Ltd. (note 6)	(2,302,313)	-
Accretion of lease surrender expense	-	12,219
	(58,515)	176,391
Changes in non-cash operating items:		
Accounts receivable	(2,704,138)	290,974
Prepaid expenses	106,877	(122,010)
Accounts payable and accrued liabilities	277,265	273,222
Deferred contributions and other revenue	(243,942)	(286,649)
Restricted cash (note 4)	136,050	(39,539)
	(2,486,403)	292,389
Investments:		
Acquisition of capital assets	(2,599)	(7,414)
Dividends received from Allsport Insurance Marketing Ltd. (note 6)	-	200,000
Net proceeds received on disposition of Allsport Insurance Marketing Ltd. (note 6)	2,743,840	-
	2,741,241	192,586
Financing:		
Repayment of bank loan	(40,135)	(53,360)
Payment of lease surrender liability	-	(250,000)
	(40,135)	(303,360)
Increase in cash and cash equivalents	214,703	181,615
Cash and cash equivalents, beginning of year	1,187,933	1,006,318
Cash and cash equivalents, end of year	\$ 1,402,636	\$ 1,187,933

See accompanying notes to consolidated financial statements.

# SPORT BC

## Notes to Consolidated Financial Statements

Year ended March 31, 2017

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### 1. Purpose of the Organization:

Sport BC is a not-for-profit organization incorporated under the Society Act (British Columbia). On November 28, 2016, the new Societies Act (British Columbia) became effective. Sport BC has until November 28, 2018 to continue under the new act. Under the provisions of the Income Tax Act, Sport BC is exempt from Canadian federal and provincial income taxes.

Sport BC, as a federation of sport organizations, provides leadership, direction, and support to foster the growth and development of amateur sport in British Columbia.

### 2. Significant accounting policies:

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

#### (a) Consolidation:

These consolidated financial statements include the accounts of Sport BC and its wholly owned insurance subsidiary, S.B.C. Insurance Agencies Ltd. ("SBC"), a taxable entity whose principal business activity is to operate an insurance brokerage. All intercompany transactions and balances have been eliminated.

#### (b) Investments in related parties:

Prior to March 31, 2017, Sport BC held a 50% ownership interest in Allsport Insurance Marketing Ltd. ("Allsport"), which is accounted for using the equity method (note 6). Equity earnings in Allsport recorded in the consolidated financial statements are for Allsport's year ended December 31 and the first quarter ending March 31, 2017. Amounts recorded in the current year attributable to prior years are not material.

Sport BC owns 100% of the shares of SBC Distributions Ltd. and accounts for this investment using the equity method. The company is inactive and, accordingly, Sport BC's equity investment in the shares have been reduced to a nominal value of \$1.

#### (c) Cash and cash equivalents:

Cash and cash equivalents include cash on account and investments in short-term term deposits that have maturities within ninety days of acquisition.

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 2. Significant accounting policies (continued):

### (d) Capital assets:

Capital assets are stated at cost less accumulated amortization and impairment write-downs. Amortization expense is charged using the declining balance method as follows:

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Equipment and telephone	20%
Furniture and fixtures	20%
Computers and software	33%

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Repairs and maintenance costs are charged to expense. Betterments that enhance the service potential or extend the useful life of an asset are capitalized. When a capital asset no longer contributes to Sport BC's ability to provide services, its carrying amount is written down to its residual value.

### (e) Payroll retainer:

Sport BC performs payroll services for certain Provincial Sport Organizations ("PSO") and collects a retainer from each PSO at the commencement of service. The balance is recorded as a liability and repaid when the PSO no longer requires payroll services to be performed.

### (f) Revenue recognition:

Sport BC follows the deferral method of accounting for contributions. Restricted contributions are initially deferred and recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred contributions and other revenue. Contributions of, or funding for, the acquisition of capital assets are deferred and recognized as revenue on the same basis as the asset is amortized. 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.

Insurance commission revenue is recorded as insurance premium commissions at the time the coverage period of the policy commences.

### (g) Contributed materials and services:

Sport BC recognizes as revenue contributions of certain services received at the estimated fair value of those services, provided the services would otherwise have been acquired and a fair value can be determined.

Contributed equipment is recorded at fair value when received.

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 2. Significant accounting policies (continued):

### (h) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to useful lives of capital assets for purposes of amortization, fair value of contributed materials and services and the valuation of accounts receivable. Actual results could differ from those estimates.

### (i) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets carried at cost or amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, Sport BC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount Sport BC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

### (j) Allocation of expenses:

Management allocates human resource expenses based on the proportion of respective time Sport BC employees commit to the specific areas of operations.

### (k) Income taxes:

S.B.C. Insurance Agencies Ltd. uses the taxes payable method to account for income taxes whereby the expense (income) of the period consists only of the cost (benefit) of current income taxes for that period (note 11), determined in accordance with the rules established by taxation authorities. Sport BC is exempt from Canadian federal and provincial income taxes.

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

### 3. Recast of prior year comparative figures:

During the year, Sport BC determined that revenue from administrative fees related to the processing of donations collected in prior years by local Kidsport chapters had not been recorded and therefore should be corrected retrospectively.

The prior year's comparative figures have therefore been recast for these immaterial misstatements as follows:

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#### Net assets beginning of year as at April 1, 2015:

As previously reported	\$ 783,588
Administrative fees adjustment	57,466

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As recast	\$ 841,054
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#### Excess of revenue over expenses for year ended March 31, 2016:

As previously reported	\$ 248,227
Administrative fees adjustment	14,151

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As recast	\$ 262,378
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#### Accounts receivable at March 31, 2016:

As previously reported	\$ 480,723
Administrative fees adjustment	71,617

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As recast	\$ 552,340
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### 4. Restricted Cash:

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	2017	2016
2016 Americas Masters Games (note 17)	\$ -	\$ 146,520
SBC funds held in trust for premiums not remitted	162,347	151,877
	\$ 162,347	\$ 298,397

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# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 5. Accounts receivable:

As at March 31, 2017, the balance of accounts receivable is net of an allowance for doubtful accounts of \$5,331 (2016 - \$5,331).

## 6. Investments in related parties:

Sport BC's investments in related parties are as follows:

	2017	2016
Allsport Insurance Marketing Ltd:		
Equity interest, beginning of year	\$ 150,894	\$ 244,897
50% share of net earnings for the year ended December 31	321,014	105,997
50% share of net loss for the quarter ended March 31, 2017	(30,381)	-
Dividends received	-	(200,000)
Sale of equity interest	(441,527)	-
Equity interest, end of year	-	150,894
SBC Distributions Ltd.:		
Nominal value	1	1
	\$ 1	\$ 150,895

No market value information is available for the investment in shares of SBC Distributions Ltd.

On March 31, 2017, Sport BC sold its 50% equity interest in Allsport Insurance Marketing Ltd. for net proceeds of \$2,743,840 resulting in a gain of \$2,302,313. Sale proceeds, which are net of \$32,316 for legal and professional fees, were received after March 31, 2017 and, accordingly, are included in accounts receivable on the consolidated statement of financial position.

In addition to the proceeds of the sale recorded in the financial statements for the year ended March 31, 2017, the share purchase agreement provides for Sport BC to receive additional consideration based on certain performance criteria. Any contingent consideration will be recorded in the year it is determinable and receipt of the consideration is reasonably assured.

Based on audited financial statements of Allsport as of December 31, 2016 and 2015, a summarized balance sheet, statement of earnings and statement of cash flows are as follows:

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 6. Investments in related parties (continued):

### Allsport Insurance Marketing Ltd.

#### Balance Sheet:

	2016	2015
<b>Assets</b>		
Current assets	\$ 1,686,148	\$ 982,994
Non-current assets	27,802	10,721
	<b>\$ 1,713,950</b>	<b>\$ 993,715</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities	\$ 824,963	\$ 746,755
Shareholders' equity	888,987	246,960
	<b>\$ 1,713,950</b>	<b>\$ 993,715</b>

#### Statement of Earnings:

	2016	2015
Revenue	\$ 2,923,681	\$ 2,897,994
Expenses	(2,148,689)	(2,652,704)
Earnings before income taxes	774,992	245,290
Income taxes	(132,965)	(33,297)
Net earnings	<b>\$ 642,027</b>	<b>\$ 211,993</b>

#### Statement of Cash Flows:

	2016	2015
Cash provided by (used in):		
Operating activities	\$ 681,091	\$ (28,049)
Financing activities	-	(400,000)
Investing activities	(21,607)	-
	<b>\$ 659,484</b>	<b>\$ (428,049)</b>

For the period of January 1, 2017 to March 31, 2017, Allsport incurred a loss of \$60,762.

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

## 7. Capital assets:

			2017	2016
	Cost	Accumulated depreciation	Net book value	Net book value
Equipment and telephone	\$ 6,184	\$ 5,452	\$ 732	\$ 13,323
Furniture and fixtures	-	-	-	2,377
Computers and software	53,866	41,257	12,609	16,439
	\$ 60,050	\$ 46,709	\$ 13,341	\$ 32,139

## 8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are PSO payroll services retainers of \$335,049 (2016 - \$332,749).

## 9. Deferred contributions and other revenue:

The changes in deferred contributions and other revenue related to future periods are as follows:

	Balances, March 31, 2016	Amounts received during the year	Amounts recognized as revenue	Balances, March 31, 2017
Contributions:				
Restricted grant revenue for KidSport™ BC (notes 14 and 16)	\$ 230,167	\$ 433,000	\$ 453,047	\$ 210,120
Restricted contributions for KidSport™ BC (note 16)	36,200	545,252	553,452	28,000
Other revenue:				
Athlete registration fees and other revenues for Americas Masters Games (note 17)	215,695	539,475	755,170	-
	\$ 482,062	\$ 1,517,727	\$ 1,761,669	\$ 238,120

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 10. Commitments:

Operating leases:

In 2017, Sport BC signed an agreement with BC Pavilion Corporation to lease office space at 999 Canada Place in Vancouver, BC. The lease expires October 31, 2018.

Sport BC also has operating lease agreements for printers requiring a quarterly minimum charge plus charges for additional impressions and/or services.

The annual future minimum lease payments under operating leases are as follows:

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2018	\$	52,624
2019		31,789
2020		2,620
2021		655
	\$	87,688

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## 11. Income tax expense:

Included in insurance operations is \$2,287 (2016 - \$5,690) of income tax expense related to S.B.C Insurance Agencies Ltd.

## 12. Funds held with the Vancouver Foundation:

Sport BC has an investment in perpetuity with the Vancouver Foundation. The initial cost of the investment was \$10,000 with a market value at March 31, 2017 of \$25,021 (2016 - \$23,613). Sport BC is entitled only to the investment income on these funds, which was \$868 during the year (2016 - \$824). Accordingly, the endowment fund capital is not reflected in Sport BC's consolidated statement of financial position. The investment income is recorded as revenue when it is received.

## 13. Bank loan:

Sport BC has a banking agreement with TD Canada Trust (the "Bank") for credit facilities consisting of a revolving term facility with a maximum of \$300,000 and an operating loan with a maximum of \$250,000, each bearing interest at the Bank's prime rate.

As at March 31, 2017, no amounts (2016 - \$40,135) have been drawn against these credit facilities.

Both credit facilities are collateralized by a general security agreement representing a first charge on all of Sport BC's present and after acquired personal property.

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 14. Provincial funding:

Provincial funding is summarized as follows:

	2017	2016
KidSport™ BC grants (note 16)	\$ 400,000	\$ 400,000
Province of BC – Gaming (note 16)	33,000	33,000
2016 Americas Masters Games (note 17)	400,000	-
	<hr/>	<hr/>
	\$ 833,000	\$ 433,000
	<hr/>	<hr/>
Deferred to future periods (note 8)	\$ 210,120	\$ 230,167

## 15. Related party transactions:

Related party transactions are in the normal course of business and are measured at the exchange amount, which is considered to approximate market value.

During the year ended March 31, 2017, Sport BC charged and received \$nil (2016 - \$225,000) for services provided to Allsport. Allsport provided insurance products to S.B.C. Insurance Agencies Ltd. at a cost of \$2,249,930 (2016 - \$2,757,685).

## 16. Kidsport:

Kidsport™ BC is a licensed provincial chapter of Kidsport™ Canada and operates as a division of Sport BC. Kidsport™ BC receives funds through provincial grants, corporate sponsorships, and annual fundraising events, and provides grants for children ages 18 and under to participate in a sport season of their choice. Funds received in the year that are not granted out to children or used to operate Kidsport™ programs are deferred to future periods. During the year, Sport BC received provincial funding of \$433,000 (2016 - \$433,000) and corporate contributions of \$545,252 (2016 - \$458,768). During the year, \$1,006,499 (2016 - \$1,107,768) was spent and recognized as revenue.

# SPORT BC

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2017

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## 17. 2016 Americas Masters Games:

In August 2016, under agreement with the City of Vancouver (the "City"), Sport BC planned, organized, managed and delivered the 2016 Americas Masters Games (the "Games") on behalf of the City, the host city to the Games. Under the agreement, the City, along with certain other organizations, funded all costs incurred in excess of revenues earned by the Games. During the year, Sport BC received cash contributions of \$911,370 (2016 - \$250,000), in-kind contributions of \$219,723 (2016 - nil) and provincial government grants of \$400,000 (2016 - nil) towards the cost of the Games, collected \$575,128 (2016 - \$215,695) in athlete registration fees and other revenues and incurred expenses of \$2,321,916 (2016 - \$474,293) to organize and carry out the Games. Included in fees for services and other are management fees of \$80,300 (2016 - \$14,000) received and recognized as revenue in the current year in respect of this agreement. As at March 31, 2017 all of the contributions received have been used to fund incurred expenses totaling \$2,321,916.

## 18. Employee remuneration:

For the fiscal year ended March 31, 2017, Sport BC paid total remuneration of \$349,952 to three employees, each of whom received total annual remuneration of \$75,000 or greater. There was no remuneration paid to directors of the Sport BC during the fiscal year.

## 19. Financial risks and concentration of credit risk:

### (a) Credit risk:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. Sport BC is exposed to credit risk with respect to the accounts receivable. Sport BC assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Assessment for uncollectible accounts are performed by management and provided for. There has been no change to the risk exposure from 2016.

### (b) Liquidity risk:

Liquidity risk is the risk that an entity will not be able to meet its obligations associated with financial liabilities. Sport BC is exposed to this risk mainly in respect of its bank loan and accounts payable and accrued liabilities. Sport BC manages liquidity risk by maintaining adequate cash and highly liquid investments. There has been no change to the risk exposure from 2016.

## 20. Comparative information:

Certain items have been reclassified in the prior year's comparatives to conform with the current year presentation.



**ANNUAL GENERAL MEETING REGISTRATION FORM**

Voting (Full) Members

Member Organization: \_\_\_\_\_

Name of President / Chair\* or Designate\*\* : \_\_\_\_\_

Signature: \_\_\_\_\_

Associate or Affiliate Members

Member Organization: \_\_\_\_\_

Title: \_\_\_\_\_

Delegate Name: \_\_\_\_\_

Additional Non-Voting Delegates

Name, Title: \_\_\_\_\_

Name, Title: \_\_\_\_\_

Name, Title: \_\_\_\_\_

\* Official voting delegate

\*\* If the President / Chair is not attending the Annual General Meeting, he/she must affix his/her signature thereby authorizing the above-noted Designate voter.

**Please complete and return to Sport BC AS SOON AS POSSIBLE.**

Christine Wong, Executive Assistant: [christine@sportbc.com](mailto:christine@sportbc.com)