
Financial statements of Sport Nova Scotia

March 31, 2025

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Independent Auditor's Report

To the Board of Directors of Sport Nova Scotia

Opinion

We have audited the financial statements of Sport Nova Scotia (the Organization), which comprise the statement of financial position as at March 31, 2025, the statements of revenue and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Sport Nova Scotia as at March 31, 2025, and its results of operations and 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. 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 Sport Nova Scotia 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 opinion.

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 Sport Nova Scotia'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 Sport Nova Scotia or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Sport Nova Scotia'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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Sport Nova Scotia'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 Sport Nova Scotia'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 Sport Nova Scotia 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.

Chartered Professional Accountants

Halifax, Nova Scotia
July 11, 2025

Sport Nova Scotia

Statement of financial position

March 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	4	2,863,222	1,326,505
Short-term investments	5	14,480,502	17,204,049
Accounts receivable		650,454	830,860
Deferred rent receivable		93,283	87,771
Prepaid expenses and inventory		411,876	92,981
		18,499,337	19,542,166
Capital assets			
	6	731,892	732,243
		19,231,229	20,274,409
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities		890,553	764,973
Government remittances payable		-	40,006
Deferred revenue	14	12,804,274	14,600,550
		13,694,827	15,405,529
Net Assets			
Unrestricted		559,727	571,921
Internally restricted	3	4,244,783	3,564,716
Net investment in capital assets		731,892	732,243
		5,536,402	4,868,880
		19,231,229	20,274,409

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

On behalf of the Board

_____, Director

Sport Nova Scotia
Statement of revenue and expenses
March 31, 2025

	2025	2024
	\$	\$
Revenue		
Operating (Schedule 1)	1,428,583	1,388,785
Programs (Schedule 1)	11,747,456	11,754,962
	13,176,039	13,143,747
Expenses		
Operating (Schedule 2)	1,340,784	1,338,308
Programs (Schedule 2)	11,076,232	10,911,885
	12,417,016	12,250,193
Excess of revenues over expenses before amortization	759,023	893,554
Amortization	91,501	100,845
Excess of revenues over expense	667,522	792,709

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

Sport Nova Scotia

Statement of changes in net assets

March 31, 2025

	Net investment capital assets	Internally restricted	Unrestricted	2025 Total	2024 Total
	\$	\$	\$	\$	\$
Beginning balance	732,243	3,564,716	571,921	4,868,880	4,076,171
Excess of revenue over expenses (expenses over revenue)	(91,501)	985,377	(226,354)	667,522	792,709
Acquisition of capital assets	91,150	(83,167)	(7,983)	-	
Interfund transfers					
Transfer from Building to Unrestricted		(400,000)	400,000	-	
Rental revenue paid from Unrestricted to Building		211,749	(211,749)	-	
Building management fee paid from Building to Unrestricted		(33,892)	33,892	-	
Closing balance	731,892	4,244,783	559,727	5,536,402	4,868,880

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

Sport Nova Scotia
Statement of cash flows
March 31, 2025

	Notes	2025 \$	2024 \$
Operating activities			
Excess of revenue over expenses		667,522	792,709
Items not affecting cash			
Amortization		91,501	100,845
Changes in non-cash working capital items	10	(1,854,704)	(2,898,254)
		(1,095,681)	(2,004,700)
Investing activities			
Acquisition of capital assets		(91,150)	(67,839)
Purchase of short-term investments		(17,801,452)	(18,724,599)
Proceeds from short-term investments		20,525,000	20,397,317
		2,632,398	1,604,879
Net cash outflow		1,536,717	(399,821)
Cash, beginning of year		1,326,505	1,726,326
Cash, end of year		2,863,222	1,326,505
Cash and cash equivalents is comprised of			
Cash		2,842,864	1,304,091
Cash equivalents		20,358	22,414

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

1. Basis of presentation

Sport Nova Scotia (the "Organization") is a non-profit organization incorporated to assist and promote amateur sport in Nova Scotia.

2. Accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

Net Assets

Net Assets are classified as either unrestricted or restricted funds. Unrestricted funds are available to be used in their entirety at the discretion of the Organization. Restricted funds consist of those for which a specified application has been defined or upon which expenditure conditions have been set. These funds may be used for purposes outlined in their respective annual budgets, as approved by the Sport Nova Scotia Board of Directors.

The Sport Fund, KidSport Fund, Building Fund, and Canada Games Fund are maintained as separate funds, each with its own bank account, and are reported as internally restricted.

Revenue recognition

Revenue from funding is recognized in accordance with the deferral method. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues from rental properties include rent from tenants under lease agreements, property tax and operating cost recoveries, parking income and incidental income.

Rental revenue from leases with contractual rent increases and other incentives, also referred to as stepped rents, is recognized based on a straight line basis over the term of the lease. The difference between the rental revenue recognized and the amounts contractually due under the lease agreements are charged to accrued rent receivable.

Membership dues are taken into income at the beginning of the membership term.

Cash and cash equivalents

Cash and cash equivalents comprise of cash and short-term investments with a term to maturity of three months or less at the date of acquisition.

Capital assets

Capital assets are recorded at cost and donated equipment is recorded at fair value. Capital assets are being amortized on the straight-line basis over their estimated useful lives as follows:

Building	25 years
Furniture and fixtures, and System Implementation Costs	10 years
Computer hardware and software	3 years

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the Organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution.

2. Accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

Significant financial statement items that require the use of estimates are as follows: amortization of capital assets and certain accrued liabilities. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at cost. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

3. Internally restricted net assets

	2025	2024
	\$	\$
Building Fund	832,227	769,434
KidSport Fund	534,657	364,911
Sport Fund	2,877,899	2,403,278
Capital Asset Replacement Fund	-	27,093
	4,244,783	3,564,716

Internally restricted funds represent board of directors approved appropriations from unrestricted net assets. The Organization may not use these internally restricted amounts for any other purpose without the approval of the board of directors.

4. Cash and cash equivalents

The Organization administers bank accounts for KidSport Canada (Nova Scotia Chapter) and Sports & Recreation payroll. These bank accounts are held in the name of Sport Nova Scotia, but do not belong to the Organization and, therefore, these accounts are not included in these financial statements.

5. Short-term investments

Short-term investments consist of the following GIC's with a combined cost of \$14,480,502 (\$17,204,049 in 2024) and a market value of \$15,080,748 (\$18,074,437 in 2024).

	2025 \$	2024 \$
\$3,000,000 GIC earning interest at 5.15% and maturing April 3, 2025	3,000,000	-
\$2,000,000 GIC earning interest at 5.15% and maturing April 3, 2025	2,000,000	-
\$2,000,000 GIC earning interest at 5.05% and maturing July 25, 2025	2,000,000	-
\$2,000,000 GIC earning interest at 2.88% and maturing March 28, 2026	2,000,000	-
\$2,000,000 GIC earning interest at 2.95% and maturing March 28, 2026	2,000,000	-
\$1,000,000 GIC earning interest at 2.90% and maturing March 12, 2026	1,000,000	-
\$750,000 GIC earning interest at 3.65% and maturing January 29, 2026	750,000	-
\$500,000 GIC earning interest at 4.63% and maturing July 24, 2025	500,000	-
\$300,000 GIC earning interest at 3.75% and maturing September 26, 2025	300,000	-
\$300,000 GIC earning interest at 3.80% and maturing December 1, 2025	300,000	-
\$200,000 GIC earning interest at 3.80% and maturing December 2, 2025	200,000	-
\$200,000 GIC earning interest at 3.45% and maturing January 28, 2026	200,000	-
\$200,000 GIC earning interest at 3.45% and maturing January 29, 2026	200,000	-
\$30,502 GIC earning interest at 5.15% and maturing April 16, 2025	30,502	-
\$4,500,000 GIC earning interest at 4.92% and matured April 4, 2024	-	4,721,400
\$2,500,000 GIC earning interest at 4.92% and matured April 4, 2024	-	2,623,000
\$2,500,000 GIC earning interest at 5.15% and matured April 24, 2024	-	2,628,750
\$1,750,000 GIC earning interest at 5.20% and matured September 15, 2024	-	1,841,000
\$1,500,000 GIC earning interest at 5.09% and matured March 24, 2025	-	1,576,350
\$1,500,000 GIC earning interest at 5.10% and matured March 26, 2025	-	1,576,500
\$500,000 GIC earning interest at 5.50% and matured September 15, 2024	-	527,500
\$500,000 GIC earning interest at 5.30% and matured January 23, 2025	-	526,500
\$450,000 GIC earning interest at 4.92% and matured April 4, 2024	-	472,140
\$400,000 GIC earning interest at 5.15% and matured April 24, 2024	-	420,600
\$350,000 GIC earning interest at 4.92% and matured April 4, 2024	-	367,220
\$350,000 GIC earning interest at 5.30% and matured January 23, 2025	-	368,550
\$200,000 GIC earning interest at 5.10% and matured March 25, 2025	-	210,200
\$100,000 GIC earning interest at 5.10% and matured March 24, 2025	-	105,100
\$75,000 GIC earning interest at 5.50% and matured September 15, 2024	-	79,125
\$29,049 GIC earning interest at 5.00% and matured April 16, 2024	-	30,501
	14,480,502	18,074,436

6. Capital assets

	Cost \$	Accumulated amortization \$	2025 Net book value \$	2024 Net book value \$
Land	300,000	-	300,000	300,000
Building	2,031,467	1,840,140	191,327	187,401
Furniture and fixtures	1,520,908	1,319,461	201,447	208,303
Computer hardware and software	349,901	310,783	39,118	36,539
	4,202,276	3,470,384	731,892	732,243

7. Income taxes

The Organization is registered under the Societies Act of the Province of Nova Scotia and is exempt from income tax on its operations.

8. Commitments

The Organization leases office equipment under a lease agreement expiring in April 2026. Future lease payments aggregate \$16,220 and are payable over the next 13 months.

9. Contributed goods and services

During the year, the Organization recorded \$283,099 (\$222,606 in 2024) in donated goods and services. The majority of these contributions relate to public awareness campaigns, program promotion and fundraising. These contributions have been recorded at their fair value on the date of contribution.

10. Changes in non-cash working capital items

	2025	2024
	\$	\$
Decrease (Increase) in accounts receivable	195,422	465,848
Decrease in deferred rent receivable	(5,512)	8,919
(Increase) in prepaid expenses and inventory	(318,895)	(7,396)
Increase in accounts payable and accrued liabilities	70,621	241,676
Increase in government remittances payable	(64)	5,176
(Decrease) in deferred revenue	(1,796,276)	(3,612,477)
	(1,854,704)	(2,898,254)

11. Related party transactions

The Organization is a member of the Canadian Council of Provincial and Territorial Sport Federations Inc. As such, the Organization administers the Nova Scotia Amateur Sport Fund, a provincial fund established under the National Sport Trust Fund.

Sport Nova Scotia is a licensee of KidSport Canada and as such administers a provincial fund. The transactions totaled \$2,044 (\$2,044 in 2024) from the provincial fund for KidSport.

12. Contingencies

NPO status review

The Organization is currently being reviewed by the Revenue Canada to assess its eligibility to continue to have its earnings from its real estate property held under the Building Fund considered to be non-taxable. The outcome of this review remains uncertain as at the date of the financial statements, and as such was not provided for as at March 31, 2025.

13. Financial instruments

The Organization is exposed to various risks through its financial instruments.

Liquidity risk

Liquidity risk is the risk that an Organization will not be able to meet its financial obligations as they become due. The Organization is exposed to liquidity risk in its ability to finance its working capital requirements and meet its cash flow needs. Given the Organization's currently available liquid resources, from both financial assets and on-going operations, as compared to its contractual obligations, management assesses the Organization's liquidity risk to be low.

Credit risk

Credit risk arises with uncertainties of predicting financial difficulties tenants may experience which could cause them to be unable to fulfil their lease requirements. The Organization mitigates this risk by having a diversified mix of tenants thereby limiting the exposure to a single tenant. Accounts receivables are presented net of allowance for doubtful accounts of \$7,826 (\$nil in 2024).

Interest rate risk

The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Organization to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Organization is exposed to this type of risk as a result of investments in GIC's. However, the risk associated with investments is reduced to a minimum since these assets are invested in low interest instruments.

14. Deferred revenue

	General	KidSport	Sport Fund	Canada Games	Building	2025 Total	2024 Total
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	629,179	3,867,601	9,896,103	192,999	14,668	14,600,550	18,213,027
Less: amount recognized as revenue or other in the year	(1,217,161)	(1,555,598)	(7,771,334)	(26,835)	(24,482)	(10,595,410)	(10,473,593)
Plus: amount received	1,086,441	730,970	6,696,529	215,636	69,558	8,799,134	6,861,116
Balance, end of year	498,459	3,042,973	8,821,298	381,800	59,744	12,804,274	14,600,550

15. Budget figures

The Company's annual budget is approved by the Board of Directors and membership. The budget figures are not subject to audit procedures.

16. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

Sport Nova Scotia
Schedule 1 – Schedule of revenues
March 31, 2025

	Programs & management	Admin centre	2025 Total	2025 Budget (unaudited)	2024 Total
	\$	\$	\$	\$	\$
Operating					
Prov of NS - Grant	227,000	330,000	557,000	557,000	557,000
Building	742,026	-	742,026	726,859	690,968
Rent income	53,967	28,373	82,340	78,940	76,038
Membership	8,000	9,019	17,019	16,725	16,850
Interest & Other Income	30,198	-	30,198	35,000	47,929
	1,061,191	367,392	1,428,583	1,414,524	1,388,785
Programs					
Sport Fund	8,309,635	-	8,309,635	9,078,510	8,455,767
KidSport	1,962,324	-	1,962,324	1,754,211	1,735,812
Regional Sports Consultants	494,099	-	494,099	430,000	452,364
Sports Split	134,982	-	134,982	133,167	241,815
Sportsweep (Fall/Winter)	130,159	-	130,159	154,700	145,745
Suppor4Sport Awards	118,917	-	118,917	99,967	115,014
Sport Fairs	93,286	-	93,286	104,587	100,671
Advocacy/Branding	92,923	-	92,923	8,000	40,930
Contracted Services	12,368	77,367	89,735	96,560	86,684
PSO Admin Support	84,000	-	84,000	84,000	60,000
Network/Mgmt Information	-	74,708	74,708	75,610	53,201
Sportsweep (Spring/Summer)	52,901	-	52,901	104,700	100,183
Reindeer Games	37,989	-	37,989	68,084	70,896
Canada Games	26,835	-	26,835	145,000	23,299
Postage/Courier	-	18,418	18,418	17,500	21,001
Printing/Supplies	-	11,632	11,632	11,200	13,709
Sponsorship	10,513	-	10,513	5,000	16,788
Athlete & Volunteer Recognition	4,400	-	4,400	4,400	2,400
	11,565,331	182,125	11,747,456	12,375,196	11,754,962
Total	12,626,522	549,517	13,176,039	13,789,720	13,143,747

Sport Nova Scotia
Schedule 2 – Schedule of expenses
March 31, 2025

	Programs & management	Admin centre	2025 Total	2025 Budget (unaudited)	2024 Total
	\$	\$	\$	\$	\$
Operating Expenses					
Salaries	448,455	220,938	669,393	724,068	731,316
Benefits	153,236	39,840	193,076	125,007	125,866
Building	413,820	-	413,820	420,466	423,585
Adv/Communications/PR	3,450	-	3,450	4,022	3,125
Dues, Fees and Subscriptions	6,240	4,977	11,217	6,000	6,218
Insurance	4,433	44	4,477	5,200	4,512
Interest & Bank Charges	3,458	205	3,663	3,000	2,032
Legal/Audit/Prof. Fees	4,796	799	5,595	16,270	4,006
Miscellaneous	2,109	-	2,109	9,103	558
Office/Computer Supplies	927	1,302	2,229	6,250	12,084
Postage/Courier	724	341	1,065	1,000	542
Professional Development	5,154	2,010	7,164	7,950	6,374
Printing/Supplies	269	543	812	900	254
Team Building	2,947	298	3,245	4,675	2,751
Telecommunications	11,004	4,500	15,504	15,760	7,429
Temporary Help	-	-	-	-	5,081
Travel/Meetings	3,817	148	3,965	8,300	2,575
Total Operating	1,064,839	275,945	1,340,784	1,357,971	1,338,308
Program Expenses					
Sport Fund	7,825,960	-	7,825,960	8,865,511	7,879,310
KidSport	1,792,025	-	1,792,025	1,658,565	1,537,300
Regional Sports Consultants	490,901	-	490,901	430,000	449,642
Sports Split	131,452	-	131,452	128,042	226,600
Advocacy/Branding	126,475	-	126,475	26,540	54,075
Support Sport Awards	123,213	-	123,213	103,012	126,671
Sportsweep (Fall/Winter)	107,941	-	107,941	122,605	117,733
Sport Fairs	90,776	-	90,776	99,134	88,334
PSO Admin Support	84,000	-	84,000	84,000	60,000
Management Info Systems	510	66,390	66,900	77,450	63,084
Sport Quarterly	57,667	-	57,667	60,300	57,024
Sportsweep (Spring/Summer)	53,613	-	53,613	84,000	81,170
Reindeer Games	28,841	-	28,841	48,007	56,248
Canada Games	26,835	-	26,835	145,000	23,299
Telecommunications		22,802	22,802	20,000	21,822
Printing/Supplies		18,988	18,988	23,100	20,207
Postage/Courier		17,025	17,025	17,500	22,814
Sponsorship	8,152	-	8,152	10,650	22,659
Athlete & Volunteer Recognition	2,666	-	2,666	4,640	3,893
Total Programming	10,951,027	125,205	11,076,232	12,008,056	10,911,885
Total Expenses	12,015,866	401,150	12,417,016	13,366,027	12,250,193