

Financial Statements of

SPORT MANITOBA INC.

Year ended March 31, 2017



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Sport Manitoba Inc.

We have audited the accompanying financial statements of Sport Manitoba Inc., which comprise the statement of financial position as at March 31, 2017, the statements of operations, 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, including the Schedule.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sport Manitoba Inc. as at March 31, 2017, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

Chartered Professional Accountants

June 21, 2017

Winnipeg, Canada

SPORT MANITOBA INC.

Statement of Financial Position

March 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 3,017,006	\$ 4,996,997
Accounts receivable	475,606	317,420
Inventories	31,442	30,689
Prepaid expenses and deposits	60,023	67,301
	<u>3,584,077</u>	<u>5,412,407</u>
Marketable securities (note 2[f])	100,564	104,452
Long-term accounts receivable	71,276	76,367
Capital assets (note 3)	39,616,738	21,614,112
	<u>\$ 43,372,655</u>	<u>\$ 27,207,338</u>

2017

2016

Liabilities, Deferred Contributions and Net Assets

Current liabilities:

Bank indebtedness (note 5)	\$ -	\$ 1,003,082
Accounts payable and accrued liabilities	2,953,471	2,116,421
Current portion of loans payable (note 7)	569,375	372,271
	<u>3,522,846</u>	<u>3,491,774</u>

Loans payable (note 7)	23,710,782	13,911,629
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Deferred contributions relating to (note 8):

Expenses of future periods	569,488	254,962
Capital assets	14,002,679	8,215,305
	<u>14,572,167</u>	<u>8,470,267</u>

Net assets:

Unrestricted	(1,056,455)	(1,176,528)
Internally restricted (note 2[e]):		
Initiatives program	87,107	87,107
Coaching	26,875	26,875
Future major repairs and upgrades	450,000	375,000
Phase 2 building expenditures	700,000	590,000
Princess Royal Pan Am Scholarship endowment (note 2[f])	100,564	104,452
Invested in capital assets (note 11)	1,258,769	1,326,762
	<u>1,566,860</u>	<u>1,333,668</u>

KidSport Canada trust assets (note 4)

\$ 43,372,655

\$ 27,207,338

See accompanying notes to financial statements.

On behalf of the Board:

David C. Paterson Director

D.J. Macdonald Director

SPORT MANITOBA INC.

Statement of Operations

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

	Operating Fund	Restricted Funds	Capital Asset Fund	2017 Total	2016 Total
Revenue:					
Province of Manitoba:					
Program support	\$ 11,105,927	—	—	\$ 11,105,927	\$ 11,105,927
Bingo allocation	250,400	—	—	250,400	234,800
Other grants	255,560	—	—	255,560	580,586
Sport Medicine Centre	545,103	—	—	545,103	568,382
Manitoba Games	366,385	—	—	366,385	105,000
Other income	758,563	—	—	758,563	665,863
Bilateral funding:					
Province of Manitoba	312,273	—	—	312,273	312,273
Federal Government	312,273	—	—	312,273	312,273
	13,906,484	—	—	13,906,484	13,885,104
Expenses:					
Grants					
Sport groups for sport development	7,561,722	3,888	—	7,565,610	7,649,996
Bilateral sport development programs	375,063	—	—	375,063	366,941
Sport Medicine Centre	666,962	—	—	666,962	647,583
Administration and services provided to sport groups:					
Occupancy	1,467,817	—	—	1,467,817	1,482,588
Operating	396,906	—	—	396,906	381,564
Administration	1,960,160	—	—	1,960,160	1,934,826
Member services	1,720,142	—	—	1,720,142	1,601,447
Cost recovered from sport groups	(1,010,082)	—	—	(1,010,082)	(1,003,610)
Amortization	—	—	530,714	530,714	515,331
	13,138,690	3,888	530,714	13,673,292	13,576,666
Excess (deficiency) of revenue over expenses	\$ 767,794	\$ (3,888)	\$ (530,714)	\$ 233,192	\$ 308,438

See accompanying notes to financial statements.

SPORT MANITOBA INC.

Statement of Changes in Net Assets

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

	Unrestricted	Internally restricted initiatives program	Internally restricted coaching fund	Internally restricted phase 2 building expenditures	Internally restricted future major repairs and upgrades	Princess Royal Pan Am Scholarship endowment	Invested in capital assets	2017 Total	2016 total
Net assets, beginning of year	\$ (1,176,528)	\$ 87,107	\$ 26,875	\$ 590,000	\$ 375,000	\$ 104,452	\$ 1,326,762	\$ 1,333,668	\$ 1,025,230
Excess (deficiency) of revenue over expenses	767,794	-	-	-	-	(3,888)	(530,714)	233,192	308,438
Capital assets acquired	(90,450)	-	-	-	-	-	90,450	-	-
Principal payments on loan payable	(372,271)	-	-	-	-	-	372,271	-	-
Internally imposed restriction (note 2[e])	(185,000)	-	-	110,000	75,000	-	-	-	-
Net assets, end of year	\$ (1,056,455)	\$ 87,107	\$ 26,875	\$ 700,000	\$ 450,000	\$ 100,564	\$ 1,258,769	\$ 1,566,860	\$ 1,333,668

See accompanying notes to financial statements.

SPORT MANITOBA INC.

Statement of Cash Flows

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

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 233,192	\$ 308,438
Items not involving cash:		
Amortization of capital assets	472,321	446,743
Amortization of deferred financing fee	68,528	68,588
Change in non-cash operating working capital	1,008,895	94,171
	<u>1,782,936</u>	<u>917,940</u>
Capital activities:		
Additions to capital assets	(18,474,948)	(6,169,656)
Increase in deferred contributions related to capital assets	5,787,374	5,456,091
	<u>(12,687,574)</u>	<u>(713,565)</u>
Financing activities:		
Proceeds of loan payable	10,300,000	—
Principal repayments of loan payable	(372,271)	(360,382)
Bank indebtedness	(1,003,082)	1,003,082
	<u>8,924,647</u>	<u>642,700</u>
Increase (decrease) in cash	(1,979,991)	847,075
Cash, beginning of year	4,996,997	4,149,922
Cash, end of year	<u>\$ 3,017,006</u>	<u>\$ 4,996,997</u>

See accompanying notes to financial statements.

SPORT MANITOBA INC.

Notes to Financial Statements

Year ended March 31, 2017

1. General:

Sport Manitoba Inc. (the organization) is a not-for-profit organization which has been empowered by the Province of Manitoba to play the lead role in the implementation of the Province's sport policy. The organization's purpose is to lead and support participation and achievement in sport by all Manitobans. The organization is exempt from income taxes and is funded through an agreement with the Province of Manitoba which expires on March 31, 2020.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 standards for government not-for-profit organizations.

(a) Revenue recognition:

The organization follows the deferral method of accounting for contributions, which include government grants.

Unrestricted contributions and operating grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated.

Externally restricted contributions and grants are recognized as revenue in the year in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as an increase in net assets when received.

Revenue from the Sport Medicine Centre and other income are recognized as revenue when earned.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

2. Significant accounting policies (continued):

(b) Inventories:

Inventories are valued at the lower of cost and estimated realizable value with cost being determined on the first-in, first-out basis.

(c) Capital assets:

Capital assets are stated at cost. Amortization is recorded on a straight-line basis using the following terms:

Asset	Term
Building	40 years
Computers	3 years
Furniture and equipment	2 - 20 years
Print shop equipment	3 - 30 years

Construction in progress is transferred to the appropriate capital asset category and amortization begins when the capital project is complete and the asset is placed in service.

Leasehold improvements are recorded at cost and are amortized on a straight-line basis over the remaining term of the lease.

Interest is capitalized on payments for major capital asset additions made prior to them being ready for use and is included in the cost of the asset.

Any gain or loss on disposal of these assets is charged to operations in the year of disposal.

(d) Operating fund:

The purpose of the Operating Fund is to record the operations of the organization which includes operations of The Sport for Life Sport Medicine Centre.

The Sport for Life Sport Medicine Centre is a multidisciplinary clinic that offers patient care for sport medicine and orthopedic injuries including sport medicine, physiotherapy, athletic therapy, massage, chiropractic and nutrition.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

2. Significant accounting policies (continued):

(e) Internally restricted funds:

The initiatives program represents net assets restricted by the Board of Directors. These net assets are to be used to meet exceptional or one time initiatives and to support Sport Manitoba's pro-active participation in collaborative projects with partners in sport. All expenditures must be approved by the Board.

The Board of Directors has also internally restricted certain net assets to be used for coaching initiatives.

During the year, the Board of Directors internally restricted resources amounting to \$75,000 (2016 - \$75,000) to be used to fund future major repairs and upgrades required for 145 Pacific Avenue, as well as an additional \$110,000 (2016 - \$200,000) to be used to fund future capital expenditures and salaries relating to Phase 2 of the building. These amounts were transferred from the unrestricted net assets. These internally restricted amounts are not available for other purposes without prior approval of the Board of Directors

(f) Princess Royal Pan Am Scholarship endowment:

The organization received \$100,000 to establish the Princess Royal Pan Am Scholarship endowment. The principal cannot be used to fund programs. The investment income earned is used to provide annual scholarships to one male and one female athlete, up to \$3,000 each, who are competing in sport at a national or international level and who are enrolled in a post-secondary education program at a Manitoba post-secondary institution. The endowment is recorded at fair value.

(g) Capital fund:

The purpose of the Capital Fund is to record capital assets, related debt, and the net investment of the organization in such assets.

(h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

2. Significant accounting policies (continued):

(i) Financial instruments:

Derivative instruments and equity instruments that are quoted in an active market are reported 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. Management has elected to record all investments at fair value as they are managed and evaluated on a fair value basis.

Transaction costs incurred on 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 effective interest method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of re-measurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of re-measurement gains and losses are reversed and recognized in the statement of operations.

The organization did not incur any re-measurement gains and losses during the year ended March 31, 2017 (2016 - nil) and therefore a statement of re-measurement gains and losses is not required to be included in these financial statements.

The standards require an organization to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

2. Significant accounting policies (continued):

(j) Allocation of general administration expenses:

The organization classifies expenses on the statement of operations by function. The organization allocates certain costs by identifying the appropriate basis of allocation and applying that basis consistently each year. Allocated expenses consist of salaries and benefits which are allocated 65 percent to member services expenses and 35 percent to administration expenses on the basis of the average of individual job positions responsibilities.

3. Capital assets:

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 1,200,000	\$ —	\$ 1,200,000	\$ 1,200,000
Building	15,237,377	2,698,782	12,538,595	12,902,465
Computers	371,295	310,482	60,813	69,470
Furniture and equipment	846,224	734,665	111,559	120,483
Print shop equipment	248,761	246,455	2,306	2,727
Leasehold improvements	40,577	40,577	—	—
Construction in progress	25,703,465	—	25,703,465	7,318,967
	\$ 43,647,699	\$ 4,030,961	\$ 39,616,738	\$ 21,614,112

4. KidSport Canada trust assets:

In accordance with a Delegation of Authority agreement with KidSport Canada signed March 19, 2008, the organization is holding \$1,288,282 of assets in trust for KidSport Canada as at March 31, 2017 (2016 - \$1,054,622). The agreement delegates authority to the organization to issue tax receipts for qualifying donations on behalf of KidSport Canada. These trust assets together with the related obligation, donation income and grant expenses have not been recorded in these financial statements for financial reporting purposes.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

5. Bank indebtedness:

The organization has an operating line of credit to a maximum of \$2,650,000. The operating line of credit is due on demand and bears interest at prime plus 0.5 percent. The organization had not utilized the operating line of credit at March 31, 2017 (2016 - \$1,003,082).

6. Sport For Life Centre:

In February 2009, the organization purchased land and building at 145 Pacific for \$3,700,000 which has become home to the new Sport for Life Centre. Sport Manitoba moved in to the new building on March 4, 2010. Phase 2, which will include the activity space, is anticipated to be complete in June of 2017. As at March 31, 2017, the organization has a remaining commitment of approximately \$2 million related to the construction of Phase 2.

7. Loans payable:

	2017	2016
Loan payable to Province of Manitoba bearing interest at 3.25%, unsecured, repayable in monthly installments of \$78,337 including interest, maturing March 31, 2045	\$ 17,267,347	\$ 17,639,618
Loan payable to Province of Manitoba bearing interest at 3.375%, unsecured, repayable in monthly installments of \$45,536 including interest, maturing April 30, 2047	10,300,000	—
Deferred financing fee	(3,287,190)	(3,355,718)
	24,280,157	14,283,900
Current portion of loans payable	569,375	372,271
	<u>\$ 23,710,782</u>	<u>\$ 13,911,629</u>

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

7. Loan payable (continued):

Principal repayments over the next five years are as follows:

2018	\$	569,375
2019		605,483
2020		625,725
2021		646,644
2022		668,263

8. Deferred contributions:

Deferred contributions related to expenses of future periods represent restricted funding received for future expenses.

	2017	2016
Balance, beginning of year	\$ 254,961	\$ 662,193
Contributions in the current year	589,346	187,876
Amounts amortized to revenue	(274,819)	(595,107)
Balance, end of year	\$ 569,488	\$ 254,962

Deferred contributions for expenses of future periods are comprised of the following:

	2017	2016
Future bids, MB Games sponsorship, coaching and programming and storage of equipment	\$ 569,488	\$ 254,962

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

8. Deferred contributions (continued):

Deferred contributions related to capital assets represent unamortized and unspent amount of externally restricted contributions that have been received for the construction of the Sport for Life Centre.

	2017	2016
Balance, beginning of year	\$ 8,215,305	\$ 2,759,214
Contributions in the current year	5,787,374	5,456,091
Balance, end of year	\$ 14,002,679	\$ 8,215,305

Deferred contributions related to capital assets are comprised of the following:

	2017	2016
Sport for Life Centre Phase 1	\$ 9,050	\$ 9,050
Sport for Life Centre Phase 2	13,993,629	8,206,255
	\$ 14,002,679	\$ 8,215,305

Sport for Life Centre Phase 2 capital contributions includes contributions received from the Province of \$1,453,909 (2016 - \$4,546,091) during fiscal 2017. The organization signed a promissory note dated March 31, 2016 for a total capital contribution of \$6,000,000. The promissory note is payable to the Department of Finance of the Province of Manitoba and the payment of this liability is guaranteed and funded by Department of Tourism, Culture, Heritage, Sport and Consumer Protection of the Province of Manitoba. No revenue or expense is recorded in accordance with their extinguishment, except for the amortization of the deferred contributions.

At March 31, 2017, the balance of the promissory note is \$5,912,159 with payments on the promissory note beginning on July 2016 totaling \$87,841 during the year. The promissory note bears interest at 3.38 percent, maturing on June 30, 2046, and is repayable in monthly installments of \$26,536, which includes principal and interest.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

9. Manitoba Sports Hall of Fame and Museum Incorporated:

The organization is the sole voting member of the Manitoba Sports Hall of Fame and Museum Incorporated (Hall of Fame), which is a registered charity organized to honour Manitoba athletes and builders. The financial statements of the Hall of Fame have not been consolidated with those of the organization.

On April 1, 2008, the Hall of Fame entered into an occupancy and support agreement with the organization whereby certain services are provided by the organization to the Hall of Fame for a fee equal to the cost of providing such services, minus the sum of \$65,000. In 2017, the organization provided the Hall of Fame nil (2016 - \$1,500) towards the construction and fit-out of the Manitoba Sports Hall of Fame and Museum.

The accounts receivable from the Hall of Fame in the amount of \$71,276 (2016 - \$76,367), is non-interest bearing, and has no fixed terms of repayment.

The following represents the financial position and the results of operations of the Hall of Fame as at March 31:

	2017	2016
Assets	\$ 686,365	\$ 695,585
Liabilities and deferred contributions	\$ 514,809	\$ 585,814
Net assets	171,556	109,771
	\$ 686,365	\$ 695,585
Revenues	\$ 360,126	\$ 438,222
Expenses	298,341	350,821
Excess of revenues over expenses	\$ 61,785	\$ 87,401

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

10. Manitoba Foundation for Sports Inc.:

The organization is the sole voting member of the Manitoba Foundation for Sports Inc. (Foundation), which is a registered charity organized for the purpose of furthering the development of amateur athletics in the Province of Manitoba. The financial statements of the Foundation have not been consolidated with those of the organization.

The following represents the financial position and results of operations of the Foundation as at March 31:

	2017	2016
Assets	\$ 566,665	\$ 1,069,863
Deferred contributions	\$ 404,813	\$ 401,813
Unrestricted net assets	161,097	161,795
Pan Am Games Legacy fund	—	505,000
Restricted Bud Tinsley fund	755	1,255
	\$ 566,665	\$ 1,069,863
Revenue	\$ 20,191	\$ 19,621
Expenses	526,389	36,786
Excess (deficiency) of revenue over expenses	\$ (506,198)	\$ (17,165)

During the year, the Foundation provided \$11,500 (2016 - \$15,000) of scholarship grants to Manitoba athletes.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

11. Invested in capital assets:

Invested in capital assets is calculated as follows:

	2017	2016
Capital assets	\$ 39,616,738	\$ 21,614,112
Amounts financed by:		
Loans payable	(24,280,157)	(14,283,900)
Deferred contributions	(14,002,679)	(8,215,305)
Unspent cash proceeds	–	2,211,885
Working capital	(75,133)	–
	\$ 1,258,769	\$ 1,326,792

12. Pension plan:

The organization has a defined contribution pension plan. Pension expense for the year ended March 31, 2017 was \$127,530 (2016 - \$132,007).

13. Financial risks:

The organization has exposure to the following risks associated with its financial instruments:

(a) Credit risk:

Credit risk refers to the risk that a counterpart may default on its contractual obligations resulting in a financial loss. The organization is exposed to credit risk with respect to the accounts receivable, cash and marketable securities.

The organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the organization at March 31, 2017 is the carrying value of these assets.

At March 31, 2017, an allowance for bad debt was set up for \$25,025 (2016 - \$26,133). All other accounts receivable for March 31, 2017 are current.

The maximum exposure to investment credit risk is the fair value of the marketable securities at March 31, 2017.

There have been no significant changes to the credit risk exposure from 2016.

SPORT MANITOBA INC.

Notes to Financial Statements (continued)

Year ended March 31, 2017

13. Financial risks (continued):

(b) Liquidity risk:

Liquidity risk is the risk that the organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The organization manages liquidity risk by monitoring its operating requirements. The organization prepares budgets and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

All accounts payable and accrued liabilities are due within fiscal 2018.

There have been no significant changes to the liquidity risk exposure from 2016.

(c) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

Financial assets and financial liabilities with variable interest rates expose the organization to cash flow interest risk. The organization is not exposed to this risk as its loans payable have fixed interest rates.

There has been no change to the risk exposures from 2016.

14. Comparative information:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current period.

SPORT MANITOBA INC.

Schedule - Administration and Services Provided to Sports Groups

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

	2017	2016
Occupancy expenses:		
Interest on loan payable	\$ 567,603	\$ 579,663
Member services	180,836	191,806
Utilities	180,227	163,310
Security and janitorial services	176,679	185,469
Salaries	87,546	85,488
Property repairs and maintenance	49,640	43,212
Insurance and taxes	223,780	232,435
Sport for Life Centre	1,506	1,205
	<u>\$ 1,467,817</u>	<u>\$ 1,482,588</u>
Operating expenses:		
Courier	\$ 9,973	\$ 11,963
Aboriginal Sport	5,096	—
Multi-sport games support	138,067	128,560
Postage	42,355	43,451
Repairs and maintenance	117,124	125,706
Service bureau fees	1,539	1,320
Stationery	29,966	31,335
Telephone	35,089	39,229
POS Online Software	17,697	—
	<u>\$ 396,906</u>	<u>\$ 381,564</u>
Administration expenses:		
Advertising, marketing and media programs	\$ 264,331	\$ 254,866
Coaching development	84,719	88,722
Community and regional development programs	158,191	143,724
Delivery and freight	749	524
Hall of Fame administration	—	1,500
Insurance	13,017	10,467
KidSport programs	33,098	32,764
Long-term athlete development	3,376	12,024
Meetings	14,271	13,506
Membership dues and subscriptions	2,720	3,813
Office supplies and stationery	12,800	7,924
Photocopying	5,523	4,825
Postage	4,974	4,256
Printing	5,072	8,167
Professional development	13,275	14,223
Professional fees	26,786	40,516
Respect in Sport	89,617	74,322
Salaries and benefits	926,230	862,316
Service bureau fees	4,896	6,924
Telephone	24,744	25,186
Travel	6,613	(1,909)
Volunteer and staff recognition	4,874	7,872
Fit Kids Healthy Kids	260,284	318,294
	<u>\$ 1,960,160</u>	<u>\$ 1,934,826</u>

SPORT MANITOBA INC.

Schedule - Administration and Services Provided to Sport Groups (continued)

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

	2017	2016
Member services expenses:		
Salaries and benefits	\$ 1,720,142	\$ 1,601,447
Amortization:		
Amortization of leasehold improvements	\$ -	\$ 841
Amortization of other capital assets	462,186	445,902
Amortization of deferred financing fee	68,528	68,588
	\$ 530,714	\$ 515,331