

**BC SOCIETY FOR THE DISTRIBUTION
OF GAMING REVENUE TO CHARITIES**

FINANCIAL STATEMENTS

MARCH 31, 2002

BC SOCIETY FOR THE DISTRIBUTION OF GAMING REVENUE TO CHARITIES

BALANCE SHEET

MARCH 31	<u>2002</u> (\$000)	<u>2001</u> (\$000)
ASSETS		
CURRENT ASSETS		
Cash	0	3,908
Accounts receivable	-	-
Accrued interest	0	17
	<u>0</u>	<u>3,925</u>
	<u><u>0</u></u>	<u><u>3,925</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	0	3,353
	<u>0</u>	<u>3,353</u>
	<u><u>0</u></u>	<u><u>3,353</u></u>
NET ASSETS	<u>0</u>	<u>572</u>
	<u><u>0</u></u>	<u><u>3,925</u></u>

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

Approved by the Board of Trustees:

Trustee

Trustee

BC SOCIETY FOR THE DISTRIBUTION OF GAMING REVENUE TO CHARITIES

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

YEAR ENDED MARCH 31, 2002	<u>2002</u> (\$000)	<u>2001</u> (\$000)
REVENUES		
Contributions from the Province of British Columbia	24,964	96,250
Interest	34	125
	<u>24,998</u>	<u>96,375</u>
EXPENDITURES		
Contributions to eligible charities (note 3)	25,567	96,178
Other	3	7
	<u>25,570</u>	<u>96,185</u>
EXCESS OF REVENUES OVER EXPENDITURES	-572	190
NET ASSETS, BEGINNING OF PERIOD	572	382
NET ASSETS, END OF PERIOD	<u>0</u>	<u>572</u>

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BC SOCIETY FOR THE DISTRIBUTION OF GAMING REVENUE TO CHARITIES

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2002	<u>2001</u> (\$000)	<u>2000</u> (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions from the Province of British Columbia	29,000	96,250
Interest received	34	118
	<u>29,035</u>	<u>96,368</u>
CASH FLOWS USED IN OPERATING ACTIVITIES		
Contributions paid to eligible charities	28,907	96,116
Transferred to the Province of British Columbia	4,036	1
	<u>32,943</u>	<u>96,117</u>
NET (DECREASE) INCREASE IN CASH POSITION FOR THE YEAR	-3,908	251
CASH POSITION AT THE BEGINNING OF THE YEAR	<u>3,908</u>	<u>3,657</u>
CASH POSITION AT THE END OF THE YEAR	<u><u>0</u></u>	<u><u>3,908</u></u>

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BC SOCIETY FOR THE DISTRIBUTION OF GAMING REVENUE TO CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

1. PURPOSE OF ORGANIZATION

BC Society for the Distribution of Gaming Revenue to Charities (the Society) was incorporated under the Society Act on July 10, 1998. The purpose of the Society was to distribute contributions from the Province of British Columbia to eligible charitable and religious organizations. The contributions from the Province, which were paid through the British Columbia Gaming Commission (BCGC), were meant to provide direct funding (contributions) to eligible charitable and religious organizations and to supplement charity funding derived from licensed bingo gaming. The BCGC determined eligibility and amounts to be distributed. These contributions formed part of the revenues received by charities from gaming activity. Contributions received by charitable and religious organizations from the British Columbia Gaming Commission were governed by a Trust Agreement dated July 20, 1998, and was administered and distributed to eligible charities and religious organizations in accordance with the terms of this agreement.

It was originally intended that the Trust Agreement would terminate when all funds payable under the terms of the Trust had been distributed or gaming legislation had been enacted, or at the end of two years (July 19, 2000), whichever occurred first. However, the Trust was extended for one more year until July 20, 2001. It is now defunct.

2. SIGNIFICANT ACCOUNTING POLICIES

The Society follows generally accepted accounting principles.

a) Revenue recognition

Contributions from the Province of British Columbia to the Society are recognized as revenue in the fiscal year in which related contributions to eligible charities are approved for funding. Contributions to meet payments to eligible charitable and religious organizations for future years are recognized as deferred contributions.

b) Contributions to eligible charitable and religious organizations

Contributions to eligible charitable and religious organizations are recognized as expenditures when payments are approved.

BC SOCIETY FOR THE DISTRIBUTION OF GAMING REVENUE TO CHARITIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2001

c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of accounts receivable and accounts payable at the date of the financial statements, and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from the estimates.

3. PROCEEDS FROM GAMING BY SOURCE

The government committed to provide eligible charitable and religious organizations a minimum of \$127.7 million dollars in fiscal 2000/01 from bingo and casino revenue. In fiscal 2001/02, the newly created Gaming Policy and Enforcement Branch took over the responsibility to monitor payments and set policy.

4. RELATED PARTY TRANSACTIONS

The Province of British Columbia, represented by the Gaming Policy Secretariat, donated the services and expertise necessary to establish the Society. Staff of the British Columbia Gaming Commission and the Gaming Policy Secretariat share responsibility with the Board of Trustees of the Society for the administration of the Trust Agreement. The staff salaries and benefits, systems, facilities and advisory services required to administer the Trust Agreement are paid by the government.