

BC Games Society

2019/20 **Annual Service Plan Report**



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Board Chair's Accountability Statement



The BC Games Society 2019/20 Annual Service Plan Report compares the corporation's actual results to the expected results identified in the *2019/20 - 2021/22 Service Plan* created in February 2019. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Jamey Paterson', written in a cursive style.

Jamey Paterson
Board Chair
June 18, 2020

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Letter from the Board Chair and Chief Executive Officer

On behalf of the BC Games Society's Board of Directors and staff, we are pleased to present our 2019/20 Annual Service Plan Report which reflects the Society's performance over the past 12 months prior to March 31, 2020.

The 2020 BC Winter Games, held in Fort St. John in February 2020, featured 15 sports and brought together 1,541 athletes, coaches and officials and 2,171 volunteers. Staging a Games in northern B.C. made transportation to the Games a challenging exercise as 12 charter planes and six charter buses were scheduled to bring participants to and from the Games.

These Games were very successful in garnering support from the community with cash and in-kind contributions surpassing any Winter Games ever in the history of the Games. There was also very strong support by both the City of Fort St. John and School District 60. Under the leadership of Darren Snider, President and Dee-Ann Stickel, Vice-President, these Games had a strong cultural component with both archery and cross-country skiing providing opportunities for Indigenous athletes to participate, as well as the creation of an Indigenous Cultural space for the community and Games participants to visit during the Games. These Games also provided an opportunity for BC Games Society staff to implement new safety and security measures throughout the Games to ensure a safe experience for all participants and volunteers.

The Society developed a partnership with the 2020 International Basketball Federation (FIBA) Olympics Qualifier Tournament (which is expected to be rescheduled for 2021) that saw Society staff providing volunteer management expertise and the Society's registration system to the Victoria tournament organizers. This new partnership will provide new opportunities for the Society to diversify revenue streams as it seeks similar contractual agreements in the future.

Working closely with our sport partners such as viaSport, Sport BC, Indigenous Sport, Physical Activity and Recreation Council, BC School Sports, Canadian Sport Institute Pacific (CSI Pacific), ProMOTION Plus, BC Sports Hall of Fame and Museum and Pacific Regional Centres around the province, the Games are able to provide additional opportunities for young athletes across the province. One example of this work includes the CSI Pacific working Team BC – the provincial team competing at Canada Games – to help provincial sport organizations identify and provide high performance athlete services to all prospective Team BC athletes.

The Society continues to perform at a high level, consistently surpassing the key performance expectations as set out in the 2019/20 Service Plan and the Mandate Letter priorities. The Society's board and staff have done so through regular meetings with senior government officials, partners and the host societies. As the Society's board is renewed and new staff members come on board, the Society provides orientation and training opportunities.

Sincerely,

Jamey Paterson



Board Chair, BC Games Society
June 18, 2020

Alison Noble



President and CEO, BC Games Society
June 18, 2020

Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

Established in 1977 under the *Societies Act*, the BC Games Society ("the Society") is the leadership organization that guides the BC Winter and BC Summer Games and oversees Team BC's participation in national multi-sport games. These Games provide an opportunity for the development of athletes, coaches and officials in preparation for higher levels of competition in multi-sport events. The Games also promote interest and participation in sport and sporting activities, individual achievement and community development. As well, BC Games provide host communities with the experience and expertise to attract and deliver major events, thereby providing future tourism and economic development benefits.

Since 1978, the Society has been staging the BC Winter Games and BC Summer Games. The two events, held every even calendar year, are British Columbia's (B.C.) largest regularly scheduled multi-sport events. Located in Victoria, the Society provides event management support, volunteer and participant management software and financial resources to each of its games hosts. These host communities then form separate not-for-profit societies for the three-year cycle of their Games management.

The Society is also responsible for the operations (recruitment and training of mission staff, logistics, travel and uniform procurement) of Team BC – which brings together B.C.'s best athletes to compete at the Canada Winter Games and Canada Summer Games.

The Society is recognized provincially and nationally as a leader in multi-sport event and volunteer management. It works in partnership with governments, businesses and not-for-profit organizations, in and out of the sport sector, to plan and deliver BC Games and to manage Team BC operations.

Strategic Direction

The strategic direction set by Government in 2019/20 and expanded upon in the Board Chair's [Mandate Letter](#) from the Minister Responsible in 2019 shaped the [2019/20 BC Games Society Service Plan](#) and results reported in this annual report.

BC Games Society activities are aligned with the Government’s key priorities:

Government Priorities	BC Games Society aligns with these priorities by:
Making life more affordable	<ul style="list-style-type: none"> • Undertaking entrepreneurial activities and cost-efficiencies to support financial sustainability and program enhancement (Goal 2). • Ensuring financial and sport legacies for host communities (Objective 2.1). • Leveraging the Province’s investment with corporate partners, local government and business contributions and other cost-efficiencies (Objective 2.2).
Delivering the services people count on	<ul style="list-style-type: none"> • Ensuring effective management of BC Winter Games and BC Summer Games (Goal 1). • Providing pathways for athletes, coaches and officials to develop skills and achieve personal excellence (Objective 1.2).
A strong, sustainable economy	<ul style="list-style-type: none"> • Building community capacity to host major events (Objective 1.1).

Operating Environment

The Society continues to provide nation-leading expertise to its host communities and Games partners. As each BC Games are delivered in a unique community, they require a level of effort akin to starting up a new company. The Society’s success is due to its committed and knowledgeable staff of 10, continuous improvement of event management processes and a system of transferring knowledge which is the benchmark for multi-sport games success in Canada.¹

Staging a Games in the northern part of the province brought cost pressures to the Society. Due to the location of the community, it was necessary to fly 80 percent of the participants to and from the Games which required chartering 12 aircraft for flights each way. Through the ability to access retained earnings to cover these costs, the Society was able to manage the financial cost pressure. The arrival of 12 flights into Fort St. John spanned 16 hours, therefore it was necessary to bring participants in a day earlier. This resulted in increased costs to service participants for an additional day and the Society providing additional budget support to the host community. As well, the cost of staff travel was exponentially higher due to distance travelled and accommodation required. These cost pressures were addressed in part by accessing retained earnings and working with suppliers and the host society to reduce expenditures (see Financial Report for more information).

The B.C. sport sector and government are working together to eradicate harassment and abuse in sport and ensure positive, safe and ethical sport environments. The Society implemented several new policies, procedures and processes in the planning for the Fort St. John Games to enhance the safety for all participants. These new systems will be instituted in future Games in keeping with the priorities of our 2019/20 Mandate Letter.

Due to the impact of the COVID-19 pandemic, it was necessary to cancel the Maple Ridge 2020 BC Summer Games. This community was well along in their planning with 800 volunteers

¹ Based on input from and consultation with other provincial and national games organizers.

already recruited. Staff have supported the President, Vice-President and Board of Directors through this unprecedented situation as the Host Society shuts down its operations. Some inventory of the Games (for example, foam mattresses) is being redeployed through BC Housing to assist in the creation of temporary housing during the pandemic. The Society worked with the Maple Ridge host society to address budget implications such as incurred expenditures. These will be reported on in the 2020/21 annual report.

In addition to providing affordable opportunities for athletes from across the province to compete at BC Games, the Society's legacy programs help reduce barriers to sport participation and achievement. For example, the Society's *Powering Potential Fund*² helps address the challenges young athletes may face in pursuing their high-performance goals such as financial costs of, and access to, facilities or specialized equipment. Following the disbursement of funds for the Fort St. John BC Winter Games, this fund was depleted. The cancellation of the Maple Ridge 2020 BC Summer Games, however, freed up resources that allowed a one-time \$400,000 investment in the fund that will ensure grants, awards and bursaries are available in future Games.

Report on Performance: Goals, Objectives, Measures and Targets

B.C.'s sport sector contributes \$1.16 billion³ to the provincial economy on an annual basis, making sport a substantial economic driver in this province. Through providing opportunities for communities to host major events – and by providing event management expertise that helps build community capacity to attract and deliver these events – BC Games are an important part of this contribution.

Goal 1: Ensure effective management of BC Winter Games and BC Summer Games.

In partnership with host societies, the Society delivered the Fort St. John 2020 BC Winter Games and began planning for the Maple Ridge 2020 BC Summer Games. The Society also oversaw preliminary operational planning to support Team BC's participation in the 2021 Canada Summer Games in Niagara, Ontario.

Objective 1.1: Build community capacity to host major events.

Key Highlights

- Prepared and provided detailed written and online materials to support volunteers in delivering high quality events. Staff guidance and mentorship strengthened the utility of the materials for volunteers.

² The BC Games Society created the *Powering Potential Fund* in April 2017 as a vehicle to strategically invest in legacy projects that will further the development of individual athletes, teams, sport organizations and communities. Funding goes towards bursaries/awards, capital and community projects.

³ Statistics Canada. Table 36-10-0452-01 Culture and sport indicators by domain and sub-domain, by province and territory, product perspective (x 1,000) Available at <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=3610045201>

- A new cross-country skiing venue was built for the 2020 BC Winter Games, providing opportunity for the local cross-country skiing club to host future competitions and expand sport programming in the community.
- Provided new equipment and trained volunteers will allow Fort St. John, and neighbouring communities, to offer new sport experiences and to host future competitions in sports such as biathlon, alpine skiing, figure skating, diving and cross-country skiing.
- The Society implemented several initiatives to ensure the Games are a safe space for all participants and volunteers. This included new policies, procedures, processes and systems that staff developed for use by host society volunteers and can be used for future events.

Performance Measures	2018/19 Actuals 2018 BCSG	2019/20 Target 2020 BCWG	2019/20 Actuals 2020 BCWG	2020/21 Target BCSG ¹	2021/22 Target BCWG
1.1a Volunteer satisfaction with online resource materials ²	93%	85%	85%	85%	85%
1.1b # of Volunteers ³	2,155	2,100	2,171	2,650	2,100

Data source:

¹The Maple Ridge 2020 BC Summer Games were cancelled due to the 2020 COVID-19 pandemic; these targets may be revised for 2022 BC Summer Games.

²Based on volunteer survey using online Survey Monkey tool following each BC Games.

³BC Games ViewTEAM volunteer registration software. Volunteer requirements vary between BC Summer Games and BC Winter Games as more sports are involved in summer games.

Discussion of Results

With an 85 percent satisfaction rate of volunteers surveyed after the 2020 BC Winter Games, the Society achieved its target indicating volunteers valued the Society’s on-line tasks, samples and protocols which helped them effectively manage their Games. The host community was able to recruit and train 2,171 volunteers to support the planning and staging of the Fort St. John 2020 BC Winter Games, helping the Society exceed its volunteer contingent target.

The Society provides updated and improved training materials such as guidelines, tasks and timelines and supporting information based on what is learned from previous host communities. As well, with greater access to online tools, volunteers had quick access and answers to any questions that arose. These contribute to volunteers feeling supported and able to effectively perform their tasks.

Objective 1.2: Provide pathways for athletes, coaches and officials to develop skills and achieve personal excellence.

Key Highlights

- The Fort St. John 2020 BC Winter Games clearly demonstrated how BC Games can be important vehicles for athlete, coach and official development. For example:
 - Alpine skiing, curling, judo, rhythmic gymnastics, ringette, speed skating, and wheelchair basketball offered coach mentorship and hands-on experience during the Games;
 - Karate, judo, and speed skating offered a young officials’ program at the Games to certify young officials who then used the Games’ experience as a development opportunity; and
 - BC Archery certified six new judges from Fort St. John for the Games, thereby enhancing the local club’s ability to provide local archery programming and competitions.
- The BC Games Society and the Indigenous Sport, Physical Activity and Recreation Council (ISPARC) continued their long-standing partnership through agreements to increase Indigenous athlete participation in archery and cross-country skiing, resulting in the number of Indigenous participants at BC Games increasing from three percent at the 2018 BC Winter Games to four percent (or 60 participants) at the 2020 BC Winter Games.
- The Society, through its partnership with provincial sport organizations, continued to find avenues to integrate athletes with a disability into the Games. In Fort St. John, a total of 85 athletes with a disability participated in wheelchair basketball, para skiing, cross country skiing, and Special Olympic figure skating and speed skating.
 - Accessibility and inclusion training was delivered at various volunteer training sessions at the Host Society level, increasing the awareness of the specific needs of athletes with a disability.
 - The Society provided wheelchair basketball with a high level of service and planning to meet the accessibility needs of the participants.
- The Society promoted its *Culture of the Games* initiative – which promotes positive, safe and inclusive Games’ environments – to all participants leading up to and during the Games, giving everyone involved in this sport and community celebration an incredible Games experience.

Performance Measures	2018/19 Actuals	2019/20 Target	2019/20 Actuals	2020/21 Target ¹	2021/22 Target
1.2a BC Games head coaches are National Coaching Certification Program Competition Development certified ²	98%	85%	94.6%	85%	85%
1.2b Percentage of BC Games participants with Indigenous heritage ³	5.83%	5%	4%	5%	5%
1.2c Percent of BC Games alumni on Team BC (Canada Games) ⁴	55%	n/a	n/a	n/a	50%

Data source:

¹ The Maple Ridge 2020 BC Summer Games were cancelled due to the 2020 Covid-19 pandemic; these targets may be revised for 2022 BC Summer Games.

² Information provided by provincial organizations and Coaching Association of Canada.

³ Self-declaration of Indigenous status as part of registration process (based on past participation and aiming to maintain and build to a new future standard).

⁴ Comparison of Team BC registered athletes to BC Games past athlete data. As the Canada Games are held every two calendar years (alternating summer and winter), there are no Canada Games targets in 2019/20 and 2020/21 fiscal years.

Discussion of Results

Using the National Coaching Certification Program (NCCP) Competition Development level as the standard for the BC Games is consistent with the Canadian Sport for Life long-term athlete development model, which matches athlete and coach development to stages of growth from one level of competition to another. This measure not only contributes to raising the standard of the competitive experience for athletes participating at BC Games, but also provides various communities across B.C. with a legacy of competent, trained coaches.

The Games' certification rate is the same each year since there is a different cohort of coaches selected by provincial sport organizations for each Games. Over the years, the Society has determined that 85 percent is a reasonable target to expect, while still keeping high coaching standards at the BC Games. In 2019/20, the target was exceeded with a 94.6 percent coach certification rate, indicating that provincial sport organizations have been doing their due diligence in ensuring that their coaches have opportunities to develop. The BC Games is often an important milestone for coaches including both personal growth and professional development in sport. In addition, coaches bring this experience back to share with their communities.

The Indigenous heritage participation target was not met. This may be partly due to the registration process only capturing those who choose to self-identify and may not accurately reflect all Indigenous athletes who participated. The Society will reconsider this measure for future service plans and how to better reflect the impact on participation rates through the Society's partnership with ISPARC and associated work with the sport sector.

Goal 2: Undertake Entrepreneurial Activities and Cost-efficiencies to Support Financial Sustainability and Program Enhancement.

Objective 2.1: Ensure financial and sport legacies for host communities.

Key Highlights:

- Provided guidelines and event management expertise to help ensure financial legacies for BC Summer and BC Winter Games.
- Leveraged the [*Powering Potential Fund*](#) and host communities' Legacy Funds to support equipment, capital projects, individual athletes, teams and sport organizations, thereby helping make sport more affordable. With its partners at Coast Capital Savings, the Society awarded \$500 bursaries to 16 (eight male and eight female) deserving athletes and coaching as well as \$40,000 to sport organizations in Fort St. John for sport equipment used during the Games
- A \$2,500 *W.R. Bennett Award for Athletic Excellence* grant was also awarded.

Performance Measures	2018/19 Actuals 2018 BCSG	2019/20 Target 2020 BCWG	2019/20 Actuals 2020 BCWG	2020/21 Target BCSG	2021/22 Target BCWG
2.1a \$ from Games' operating budget invested to deliver sport competitions ¹	\$71,500	\$60,000	\$55,000 ²	\$80,000	\$60,000
2.1b \$ financial legacy (surplus from operating budget that is invested in post-Games sport development and infrastructure) ¹	\$125,573	65,000	\$215,000 ³	\$75,000	\$65,000

Data Source:

¹From host society's audited financial statements

²Preliminary and unaudited figure as host society financial statements were being audited at time of release.

³Preliminary and unaudited figure as host society financial statements were being audited at time of release.

Discussion of Results

Reaching the legacy targets contributes to increased capacity for communities to stage subsequent events; enhanced job skills for trained volunteers; and new or enhanced sport opportunities. The BC Winter Games and BC Summer Games are held in even calendar years (but alternate fiscal years) and vary in size and scope (e.g. number of participants, volunteers and budget). Annual targets are consistent for BC Winter Games and BC Summer Games, respectively.

The host society increases their funding beyond what is received via the provincial government's grant⁴ by fund-raising locally (see Objective 2.2 *Friends of the Games* sponsorship program). The host society uses these funds to offset budgeted expenditures and to enhance the delivery of the Games in their community. With budget savings due to offsetting of expenditures, communities can realize a financial legacy which is then reinvested in post-Games sport and cultural programs and infrastructure.

At the time of writing this report, the Fort St. John 2020 BC Winter Games host society had not completed its financial statement auditing, however, preliminary figures indicate that it did not achieve its \$65,000 target (performance measure 2.1a) of investments in its operating budget to deliver sport competitions by \$5,000. This is because these targets are set as a standard for host societies, but communities may decide to defer these investments to post-Games legacies. This was the case for Fort St. John. Through operational efficiencies and significant cash and value-in-kind support from local business, the 2020 BC Winter Games, with an estimated \$215,000 host society operating budget surplus, exceeded anticipated financial legacies while still securing a high-quality Games' experience for participants.

⁴ BC Winter Games' host communities receive a \$550,000 grant; BC Summer Games' host communities receive a \$625,000 grant.

Objective 2.2: Leverage the Province’s investment with corporate partners, local government and business contributions and other cost-efficiencies.

Key Highlights

- Maintained existing, multi-year corporate partners through the delivery of contractual obligations and ongoing efforts to build solid partnerships and supporters.
- Provided specific resources and expertise to host societies in the area of sponsorship recruitment and recognition which helped increase host community’s cash and value-in-kind support.
- Provided value-added contributions through managing logistics, negotiating with suppliers and securing other cost-efficiencies that result in balanced budgets and maintain affordable experiences for athletes and communities hosting events.

Performance Measures	2018/19 Actuals 2018 BCSG	2019/20 Target 2020 BCWG	2019/20 Actuals 2020 BCWG	2020/21 Target 2020 BCSG	2021/22 Target 2022 BCWG
2.2a Global BC (ad value-in-kind)	\$85,820	\$60,000	\$67,320	\$60,000	\$60,000
2.2b Black Press (ad value-in-kind)	\$146,136	\$150,000	\$137,988	\$150,000	\$150,000
2.2c Coast Capital (cash contribution)	\$60,000	\$20,000	\$20,000	\$60,000	\$60,000 ¹
2.2d Cash and value-in-kind (VIK) generated by host societies ²	\$126,150 cash \$600,000 VIK	\$40,000 cash \$300,000 VIK	\$293,500 cash \$734,225 VIK	\$60,000 cash \$500,000 VIK	\$40,000 cash \$300,000 VIK

Data Source: Values determined through contract and/or partner supplied values.

¹ This target was updated to TBD in the 2020/21 – 2022/23 Service Plan. This corporate partnership concludes after in 2020. The Society will continue to discuss opportunities for a new partnership with Coast Capital Savings and will also work to develop new or customized in-kind services or cash sponsorships to replace this partnership.

² From host society’s audited financial statements.

Discussion of Results

BC Games’ corporate partnerships and community partners (local sponsors called *Friends of the Games* and in-kind contributions) contributed to the Society and host society meeting budget and operational targets and provide additional profile for BC Games and host communities.

Global BC targets are set as minimum standards as available ad space can change based on Global BC’s overall advertising schedule. The 2019/20 target was exceeded as more space became available to promote BC Games.

The Black Press target of \$150,000 of value-in-kind was not met. This target is set based on estimated value of media and/or advertising space. While Black Press delivered media and advertising campaigns leading up to the Games in its network of community newspapers, it does not own a newspaper in the Fort St. John community. A competitor community newspaper, therefore, had greater media and advertisement exposure.

The Coast Capital Savings cash target was met in 2019/20. While Coast Capital Savings does not have a credit union in Fort St. John, the Society was still able to secure the sponsorship funds required to support the *Powering Potential Fund* athlete bursaries and participant t-shirts. Coast Capital Savings also provided participants with reusable, insulated lunch bags.

The BC Games Society works with host societies to develop and implement fund-raising plans for local *Friends of the Games* businesses, local government and other partners that provide cash or in-kind services. This contributed to the host community receiving tremendous local support leading to cash and value-in-kind (VIK) investments in the Games, added to the Fort St. John Games participants' experiences and offset budget items. This measure is determined by host societies and differs from one host to another depending on legacy plans, resources available and/or host societies' operational plans (e.g. one community may wish to focus on competition needs, while another may wish to focus on ceremonies). VIK services are those that a community doesn't need to fund through its operational budget and targets are set based on typical needs in previous host communities.

Being a northern resource-based community, it is often difficult to estimate what resources will be available when hosting BC Games. Fort St. John's strong economy leading up to the 2020 BC Winter Games, however, allowed for the host community to raise \$293,500 in cash and \$734,225 in VIK, thereby substantially exceeding its fund-raising (\$40,000) and VIK investment targets (\$200,000).

To reduce the spread of COVID-19 and follow the B.C. Provincial Health Officer directives to protect the health of British Columbians, the 2020 BC Summer Games that were scheduled for July 23-26 in Maple Ridge were cancelled on March 25. As such, the 2020/21 targets will not be met. The Society worked with the Maple Ridge host society to wind down operations and address associated budget implications. Other activities related to the 2020 BC Summer Games' cancellation will be reported on in the next annual report.

Financial Report

Discussion of Results

At the beginning of 2019/20, it was apparent there would be significant additional cost pressures associated with the 2020 BC Winter Games due to the projected external transportation costs of flying 80% of the participants to and from Fort St. John. To that end, government granted the Society permission to access \$800,000 of retained earnings to address this cost pressure. This allowed for a budget of \$1,250,000. With strategic oversight of this part of the Games operations and careful budget management, the Society was able to deliver optimal service for \$1,005,000, which reduced the need to access the full \$800,000 of retained earnings.

Due to the successful local fundraising program at the 2018 Cowichan BC Summer Games, that community had a higher than projected budget surplus, which increased the amount provided back to the Society than originally projected. Cowichan's host society's fiscal oversight and local sponsor recruitment returned \$107,087 to the Society⁵.

In all other areas of the budget, the Society once again met its financial objectives through thorough budget preparation and methodical monitoring, while continuing to access revenue through multi-year corporate partner support and sound host community budget policy.

The Society continues to monitor provincial grants to the BC Winter Games and BC Summer Games host cities as they experience escalating costs associated with hosting. These costs have generally been impacted by changing economies or community and/or volunteer fatigue (e.g. challenges competing with other events or local corporate fund-raising efforts and/or additional costs to procure services previously provided voluntarily). As well, increasing costs for office and warehouse space, school district costs and other amenities have increasingly impacted financial resources over the past few years.

Through identifying cost efficiencies and sound budget management, the Society was able to reduce its anticipated cost pressures associated with hosting the games in northern B.C. This resulted in an overall 2019/20 budget deficit of \$526,000 but limited the need to access retained earnings by \$274,000 (of the approved \$800,000).

⁵ BC Games Society policy requires 50 percent of host society operating surplus to be returned to the Society as legacy funds. This surplus is recovered in the following fiscal year once host society's financial statements are audited.

Financial Summary

\$000	2018/19 Actual	2019/20 Budget	2019/20 Actual	2019/20 Variance
Revenue				
Province of BC Grant	2,188	2,013	2,013	0
Team BC Grant	292	250	112	(138)
Corporate Partner Income	60	20	80	60
Other Income & Recoveries	546	290	414	124
Total Revenue	3,086	2,573	2,619	46
Expenses				
Grants	442	390	390	0
Games Operations ^{2,3}	944	1,363	1,114	(249)
Team BC Operating Costs	466	250	112	(138)
Salaries and Benefits ⁴	769	884	673	(211)
Board Expenses	16	12	14	2
Contributions ⁵	0	0	400	400
Administration	289	285	280	(5)
Lease Costs	142	189	161	(28)
Total Expenses	3,068	3,373	3,144	(230)
Net Income	18	(800)	(525)	274
Capital Expenditures	43	18	61	43
Total Liabilities	98	0	509	509
Accumulated Surplus	1,157	357	632	275

Note 1: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Note 2: The Budget included \$1,250,000 for external transport expenses for the Fort St. John Winter Games.

\$1,004,835 was expended for a savings of \$245,165 in transport

Note 3: Team BC Operating Costs were included in Games Operations (\$1,613 in 19/20 Service Plan)

Note 4: One staff member retired, and one staff member resigned, and they were not replaced before year end, and two Coordinator positions were vacant for six months, leading to savings for this fiscal.

Note 5 This is a one-time contribution of \$400,000 to the Powering Potential Fund which had not been budgeted for.

Variance and Trend Analysis

A reduction in the budgeted deficit is the result of responsible management both within the BC Games Society and with host societies' planning and delivery of BC Games. Corporate partners and local Friends of the Games (which contributes to the host society's budget) see value these community and sport celebrations, adding cash and value in kind to government's investment.

Risks and Uncertainties

During the period covered by this annual report, the BC Games Society supported:

- Fort St. John 2020 BC Winter Games
- Maple Ridge 2020 BC Summer Games (cancelled)
- Greater Vernon 2022 BC Winter Games

Management’s Perspective on the Financial Outlook

Risks	Mitigation Actions
<p>The Society relies on third-party provincial sport organizations (PSOs) selection and training of athletes, coaches and officials. There is a small risk that these activities are not aligned or consistent with BC Games Society policies and procedures.</p>	<p>Through ongoing, consistent dialogue and written agreements with each of the provincial sport organizations (PSOs), the Society worked to ensure the policies and practices associated with BC Games participation are carried out by the sport, by BC Games staff and volunteers.</p>
<p>The Society faces fiscal pressures due to significantly higher transportation costs for athletes associated with hosting the 2020 BC Winter Games in Fort St. John.</p>	<p>Government authorized the Society to access its retained earnings to mitigate this projected pressure. The Society also managed and reduced expenditures that resulted in a lower than anticipated deficit situation.</p>
<p>Adherence to BC Games’ safety policies (e.g. harassment and abuse, concussion, anti-doping, etc.) is reliance on provincial sport organizations and host community commitment to provide safe, inclusive, ethical and positive experiences.</p>	<p>The Society reviewed, renewed and promoted its Culture of the Games program to ensure that participants, sport organizations and host society are informed of their role in making the Games safe, inclusive, ethical and positive experiences for all those involved. This included a specific focus on preventing harassment and abuse.</p>
<p>The Canadian Sport for Life’s long-term athlete development (LTAD) continuum sets out the BC Games and Team BC competitions as important milestones for athletes, coaches, and officials. If PSOs do not value the games as opportunities for their members to develop and participate then the ability to achieve these milestones is impacted.</p>	<p>Society staff worked closely with PSOs to ensure they maximize their opportunities for athletes, coaches and officials as they relate to BC Games and Team BC readiness and competitions.</p>
<p>In all instances of the BC Games Society’s involvement, there is an underlying assumption that municipalities and school districts wish to host the games. This faith may be challenged during times of economic downturn, competing demands on resources (volunteers or other hosting efforts) and/or other civic priorities.</p>	<p>The Society continues to market the positive economic and social opportunities associated with hosting the BC Winter and/or BC Summer Games.</p>

Financial Statements of

BC GAMES SOCIETY

Year ended March 31, 2020

BC GAMES SOCIETY

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities, in part, through the Audit Committee. The Finance Committee and Board of Directors review internal financial statements quarterly and external audited financial statements annually. Management reviews internal financial statements monthly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Dusanj & Wirk Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of BC Games Society and meet with the Audit Committee at least annually. The accompanying Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of BC Games Society



Alison Noble
President and Chief Executive Officer

INDEPENDENT AUDITORS' REPORT

**To: The Board of Directors of BC Games Society
The Minister of Tourism, Arts & Culture**

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of BC Games Society (the "Society"), which comprise the statement of financial position as at March 31, 2020 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended March 31, 2020 and a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020 and the results of its operations and changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 judgement and maintain professional skepticism through the audit. We also:

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

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

A handwritten signature in black ink that reads "Dusanj & Wirk".

Victoria, B.C.
May 13, 2020

Chartered Professional Accountants

BC GAMES SOCIETY

Statement of Cash Flows

Year ended March 31, 2020, with comparative figures
for 2019

		2020	2019
Financial assets			
Cash and cash equivalents		\$ 477,539	\$ (76,497)
Short term investments	(Note 3)	300,000	1,100,000
Accounts receivable		166,407	88,590
Due from government organizations	(Note 4)	46,350	9,872
		990,296	1,121,965
Liabilities			
Accounts payable and accrued liabilities	(Note 5)	487,926	97,977
Deferred contributions	(Note 8)	21,000	-
		508,926	97,977
Net financial assets		481,370	1,023,988
Non-financial assets			
Tangible capital assets	(Note 6)	148,322	126,006
Inventories held for use		-	1,360
Prepaid expenses		2,500	5,669
		150,822	133,035
Accumulated surplus	(Note 7)	\$ 632,192	\$ 1,157,023
Contractual obligations	(Note 12)		
Subsequent events	(Note 14)		

See accompanying notes to financial statements.

APPROVED BY THE BOARD





BC GAMES SOCIETY

Statement of Operations and Accumulated Surplus

Year ended March 31, 2020, with comparative figures for 2019

	Budget (Note 2(k))	2020	2019
Revenue:			
Province of British Columbia grants	\$ 2,012,500	\$ 2,012,500	\$ 2,012,500
ViaSport contribution for Team BC	250,000	112,048	465,795
Athlete registration	175,000	164,503	391,016
Surplus recoveries (Note 10)	107,087	111,287	53,401
Provincial Sport Organization funding for Team BC Funding partners	80,000	79,418	60,000
BC Senior Games Service Agreement			-
Powering Potential Fund grants (Note 11)	55,000	65,000	73,069
Interest earned	17,600	28,467	26,098
Other revenue	352	385	3,766
Contractual revenues	45,000	45,000	-
	2,742,539	2,618,608	3,085,645
Expenses:	(Note 11)		
General operating costs	1,637,700	1,639,796	1,682,006
Games operating costs	1,354,800	1,113,643	944,013
Operating grants	495,000	390,000	441,500
	3,487,500	3,143,439	3,067,519
Annual surplus (deficit)	(744,961)	(524,831)	18,126
Accumulated surplus, beginning of year	1,157,023	1,157,023	1,138,897
Accumulated surplus, end of year	\$ 412,062	\$ 632,192	\$ 1,157,023

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Cash Flows

Year ended March 31, 2020, with comparative figures for 2019

	Budget (Note 2(k))	2020	2019
Annual surplus (deficit)	\$ (744,961)	\$ (524,831)	\$ 18,126
Acquisition of tangible capital assets	(18,000)	(61,270)	(42,772)
Amortization of tangible capital assets	40,000	38,954	36,072
	22,000	(22,316)	(6,700)
Acquisition of inventories held for use	-	-	-
Acquisition of prepaid expenses	-	(4,684)	(12,081)
Consumption of inventories held for use	-	1,360	2,880
Use of prepaid expenses	-	7,853	22,547
	-	4,529	13,346
Increase (decrease) in net financial assets	(722,961)	(542,618)	24,772
Net financial assets, beginning of year	1,023,988	1,023,988	999,216
Net financial assets, end of year	\$ 301,027	\$ 481,370	\$ 1,023,988

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Cash Flows

Year ended March 31, 2020, with comparative figures for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ (524,831)	\$ 18,126
Items not involving cash:		
Amortization of tangible capital assets	38,954	36,072
Change in non-cash operating working capital:		
Decrease (increase) in accounts receivable	(77,817)	131,148
Decrease (increase) in due from government organizations	(36,478)	3,380
Decrease (increase) in inventories held for use	1,360	2,880
Decrease (increase) in prepaid expenses	3,169	10,466
Increase (decrease) in accounts payable and accrued liabilities	389,949	(350,045)
Increase (decrease) in deferred contributions	21,000	-
Net change in cash from operating activities	(184,694)	(147,973)
Capital activities:		
Cash used to acquire tangible capital assets	(61,270)	(42,772)
Net change in cash from capital activities	(61,270)	(42,772)
Investing activities:		
Decrease (increase) in short term investments	800,000	(93,399)
Net change in cash from investing activities	800,000	(93,399)
Net change in cash and cash equivalents	554,036	(284,144)
Cash and cash equivalents, beginning of year	(76,497)	207,647
Cash and cash equivalents, end of year	\$ 477,539	\$ (76,497)

See accompanying notes to financial statements.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

1. Nature of operations

The Society is incorporated under the Societies Act of British Columbia. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development and to manage the operations of Team BC, which is a team of athletes, coaches, managers, and mission staff that is assembled by the Province of British Columbia to represent the province at Canada's various multi-sport events.

Approximately 77% of the Society's annual revenues are received from the Province of British Columbia with the remainder generated from corporate sponsors, contributions from other societies, surpluses from host societies, athlete registration fees, contract service and interest.

The BC Winter Games and the BC Summer Games are planned and operated by societies incorporated in the host community for each event. These financial statements do not reflect the revenues and expenditures of the local societies.

BC Games Society is exempt from income taxes under the Income Tax Act.

2. Summary of significant accounting policies

The term "Society" is used to mean the BC Games Society.

(a) Basis of accounting

The accompanying financial statements are prepared in accordance with Public Sector Accounting Board standards of the Chartered Professional Accountants of Canada without any elections to follow standards for government not-for-profit organizations.

(b) Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid investments with a term to maturity of three months or less at acquisition. These investments are held for the purpose of meeting short term cash commitments rather than investing.

(c) Short term investments

Short term investments include investments with maturities that are capable of prompt liquidation and are cashable on demand.

(d) Financial instruments

The Society's financial instruments include cash and cash equivalents, short term investments, accounts receivable, amounts due from government organizations, accounts payable and accrued liabilities.

All financial instruments are measured at amortized cost using the effective interest method. Gains and losses are recognized in the Statement of Operations and Accumulated Surplus when these financial instruments are derecognized due to disposal or are impaired. Transaction costs related to the acquisition of these financial instruments are included in the cost of the related instruments.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

2. Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

The Society does not have any financial instruments, such as portfolio investments that are quoted in an active market or derivative instruments, which are valued at fair value, and therefore, no Statement of Remeasurement of Gains and Losses has been included.

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, is amortized on a straight-line basis over their estimated useful lives, as follows:

Asset	Basis	Rate
Computers and application software	Straight Line	3 – 5 Years
Registration software and computer cabling	Straight Line	5 Years
Bedding, torch, flags and signs for host societies	Straight Line	12 years
Furniture and equipment	Straight Line	10 years
Leaseholds	Straight Line	over the term of the lease

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Society's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

(ii) Works of art, historic assets, and intangibles

Works of art, historic assets, intangible assets and items that have been purchased, developed, or inherited in right of the Crown are not recorded as assets in these financial statements.

(iii) Inventories held for use

Inventories held for use are recorded at the lower of cost and replacement cost.

Cost includes the original purchase cost, plus shipping and applicable duties. Replacement cost is the estimated current price to replace the items.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

2. Summary of significant accounting policies (continued)

(f) Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred and gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations and Accumulated Surplus as the stipulated liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the Statement of Financial Position.

Revenue related to fees or services received in advance of the fee being earned or the service being performed is deferred and recognized when the fee is earned or service is performed.

Donated or discounted goods and services are recorded at fair value.

Receipt of surplus from Summer and Winter Games Societies are recorded at the earlier of cash receipt and final determination of the amount of the surplus.

Investment income includes interest recorded on an accrual basis, realized gains and losses on the sale of investments, and write-downs on investments where the loss in value is determined to be other-than-temporary.

(g) Provincial contributions

The financial statements do not reflect certain administrative expenses incurred and paid directly by the Province of British Columbia in the delivery of the games.

(h) Legacy Funds – host communities

Host communities retain 100% of profits from souvenir sales and 50% of their operating surplus, if any, and all interest earned as part of their legacy fund.

(i) Grants to host societies

Grants to host societies are recorded as an expense when disbursement of funds has been authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

2. Summary of significant accounting policies (continued)

(j) Use of estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Key areas where management has made estimates and assumptions include those related to the useful life of tangible capital assets and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

(k) Budget figures

Annual budget figures are determined by the Society's CEO based on approved funding available, as well as the geographical location of the Society's upcoming games to reflect travel and accommodation expenses for staff and athletes. The Society's budget for fiscal year 2020 was initially approved by the Board of Directors in January 2016 as part of a three-year budget plan and again in January 2020 when the budget was revised. This revised budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Assets.

3. Short term investments

Short term investments consist of a one-year Guaranteed Investment Certificate (GIC) of \$300,000 (2019 - \$1,100,000), which earns interest at 2.00% (2019 - 2.00-2.30%) and has a maturity date of July 29, 2020. The GIC is redeemable after 30 days without penalty.

4. Due from other government organizations

The amount due from other government organizations pertains to Goods and Services Taxes (GST) which has been paid on the Society's purchases and expenses, net of GST collected from athlete registration revenue.

5. Accounts payable and accrued liabilities

	2020	2019
Trade accounts payable	\$ 165	\$ 1,874
Salaries and benefits payable	17,100	8,751
Accrued vacation pay	33,585	16,530
Accrued operating grant	-	30,000
Accrued contribution (note 11)	400,000	-
Other accrued liabilities	37,076	40,822
	\$ 487,926	\$ 97,977

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

6. Tangible capital assets

	Registration software	Computers	Bedding, torch, flags and signs for host societies	Furniture and equipment	Leasehold improvements	2020 Total
Cost						
Opening balance	\$425,223	\$73,052	\$258,357	\$64,174	\$21,444	\$842,250
Additions	25,091	21,687	1,000	5,992	7,500	61,270
Disposals	-	(1,183)	-	-	-	(1,183)
Closing balance	450,314	93,556	259,357	70,166	28,944	902,337
Accumulated amortization						
Opening balance	395,057	64,732	184,907	50,104	21,444	716,244
Amortization	13,811	7,950	12,984	3,459	750	38,954
Disposals	-	(1,183)	-	-	-	(1,183)
Closing balance	408,868	71,499	197,891	53,563	22,194	754,015
Net book value	\$41,446	\$22,057	\$61,466	\$16,603	\$6,750	\$148,322

Bedding, torch, flags and signs for host societies includes \$6,903 (cost of \$12,745, net of accumulated amortization of \$5,842) of flags and signs for Team BC.

	Registration software	Computers	Bedding, torch, flags and signs for host societies	Furniture and equipment	Leasehold improvements	2019 Total
Cost						
Opening balance	\$415,474	\$69,239	\$229,985	\$64,174	\$21,444	\$800,316
Additions	9,749	4,651	28,372	-	-	42,772
Disposals	-	(838)	-	-	-	(838)
Closing balance	425,223	73,052	258,357	64,174	21,444	842,250
Accumulated amortization						
Opening balance	380,572	59,519	172,533	46,942	21,444	681,010
Amortization	14,485	6,051	12,374	3,162	-	36,072
Disposals	-	(838)	-	-	-	(838)
Closing balance	395,057	64,732	184,907	50,104	21,444	716,244
Net book value	\$30,166	\$8,320	\$73,450	\$14,070	- \$	\$126,006

Bedding, torch, flags and signs for host societies includes \$7,966 (cost of \$12,745, net of accumulated amortization of \$4,779) of flags and signs for Team BC.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

7. Accumulated surplus

	2020	2019
Investment in tangible capital assets	\$ 148,322	\$ 126,006
Operating surplus	483,870	231,017
Internally restricted surplus	-	800,000
	<u>\$ 632,192</u>	<u>\$ 1,157,023</u>

The Board has released the previously internally restricted \$800,000 surplus for transportation costs to the Fort St. John 2020 BC Winter Games to the operating surplus.

8. Deferred contributions

Deferred contributions are comprised of funds restricted for the Niagara Canada Summer Games in August 2021.

	2020	2019
Balance, beginning of year	\$ -	\$ -
Contributions received during the year	21,000	-
Revenue recognized from deferred contributions	-	-
Balance, end of year	<u>\$ 21,000</u>	<u>\$ -</u>

9. Financial risk management

The Society has exposure to the following risks from its use of financial instruments: interest rate risk, liquidity risk and other price risk.

The Board of Directors ensures that the Society has identified its major risks and ensures that management monitors and controls them.

It is management's opinion that there have been no changes to the Society's risk exposures from the previous fiscal year.

(a) Interest risk

Interest rate risk is the risk that the rate of return and future cash flows on the Society's GIC investments will fluctuate because of changes in market interest rates. The Society is not exposed to significant interest rate risk relating to its financial assets and liabilities.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

9. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to purchase goods and services on credit. Liquidity risk is measured by reviewing the Society's future net cash flows for the possibility of a negative net cash flow. The Society manages the liquidity risk resulting from its accounts payable obligations by maintaining significant cash resources and investing in liquid investments.

(c) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Price risk is managed by holding investments to maturity.

(d) Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term investments, accounts receivable, amounts due from government organizations, accounts payable and accrued liabilities approximate fair value because of the short maturity of these instruments.

10. Surplus from host societies

Surplus from the host societies is comprised of:

	2020	2019
Cowichan 2018 Summer Games Society	\$ 107,087	\$ -
Kamloops 2018 Winter Games Society	4,200	53,401
	<u>\$ 111,287</u>	<u>\$ 53,401</u>

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

11. Expenses by object

The following is a summary of expenses by object:

	2020	2019
Advertising and promotions	\$ 16,139	\$ 41,124
Amortization	38,954	36,072
Computer maintenance	12,507	9,398
Contributions	400,000	578
Games operating costs	1,113,643	944,013
Insurance, leases and utilities	161,173	142,424
Office and business expenses	90,128	83,580
Operating grants	390,000	441,500
Professional services	51,850	39,703
Salaries and employee benefits	672,301	769,105
Team BC operating costs	111,515	465,795
Travel and accommodation	85,229	94,227
	<u>\$ 3,143,439</u>	<u>\$ 3,067,519</u>

Contributions are made to the Powering Potential Fund (PPF) which is registered with the National Sport Trust Fund. The purpose of the PPF is to provide bursaries to BC Games and Team BC athletes, and to fund purchases of equipment required by host communities of the BC Winter Games and the BC Summer Games. Grants received from the PPF are recognized as revenue in the Statement of Operations and Accumulated Surplus. Bursaries and host community equipment purchases funded by the PPF are included in games operating costs.

12. Contractual obligations

The Society has commitments arising from contractual agreements for office equipment, employment services, and a lease for office premises. The Society is responsible for all operating costs associated with the property lease. These operating costs totalled \$43,117 in 2020 (2019 -

\$37,849) and are included in the amounts reported below. The Society is also committed to provide funding to host societies for staging of future games events:

	2021	2022	2023	2024	2025
General commitments	\$ 243,632	\$ 157,013	\$ 125,733	\$ 4,908	\$ 614
Anticipated host society commitments	50,000	475,000	450,000	475,000	450,000
	<u>\$ 293,632</u>	<u>\$ 632,013</u>	<u>\$ 575,733</u>	<u>\$ 479,908</u>	<u>\$ 450,614</u>

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2020, with comparative figures for 2019

13. Remuneration of employees

Under the Societies Act, societies must disclose remuneration paid to directors, and to employees and contractors whose remuneration was at least \$75,000 for the fiscal year.

During the year, there were six employees who met this criterion and the total amount of remuneration paid to these persons was \$575,389. (During the prior year, there were six employees who met this criterion and the total amount of remuneration paid to these persons was \$516,309.) The Board of Directors receives no remuneration for their services other than reimbursement of expenses.

14. Subsequent events

The global economic impact arising from the Covid-19 pandemic may expose the organization to economic and operational risks in the 2021 fiscal period. The impact on the organization's operations is not readily determinable but management expects the impact to be moderate.

Appendix A: Additional Information

Corporate Governance

For complete information on the BC Games Society's governance structure, Board information, and related documentation, please visit: <https://www.bcgames.org/AboutUs.aspx> and click on any of the topics in the drop-down box.

Organizational Overview

Corporate Governance and Organizational Overview Complete information on the BC Games Society, its governance structure, Board information and related documentation can be found by clicking on the following link: www.bcgames.org/AboutUs