

BC Games Society

**2020/21
Annual Service Plan Report**



For more information on the BC Games Society contact:

200 - 990 Fort Street

Victoria, B.C. V8V 3K2

(250) 387-1375

Or visit our website at

www.bcgames.org

Published by the BC Games Society

Board Chair's Accountability Statement



The BC Games Society 2020/21 Annual Service Plan Report compares the corporation's actual results to the expected results identified in the 2020/21 – 2022/23 Service Plan created in February 2020. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Jamey Paterson'. The signature is fluid and cursive, with a large loop at the end.

Jamey Paterson
Board Chair
May 31, 2021

Table of Contents

| | |
|---|----|
| Board Chair’s Accountability Statement | 3 |
| Letter from the Board Chair & Chief Executive Officer | 5 |
| Purpose of the Annual Service Plan Report..... | 7 |
| Purpose of the Organization..... | 7 |
| Strategic Direction | 7 |
| Operating Environment..... | 8 |
| Report on Performance: Goals, Objectives, Measures and Targets..... | 10 |
| Financial Report..... | 16 |
| Financial Summary | 17 |
| Variance and Trend Analysis..... | 18 |
| Appendix A: Additional Information..... | 19 |
| Appendix B: Auditor’s Report and Audited Financial Statements..... | 20 |

Letter from the Board Chair & Chief Executive Officer

On behalf of the BC Games Society's Board of Directors and staff, we are pleased to present our 2020/21 Annual Service Plan Report which reflects the Society's performance over the past 12 months prior to March 31, 2021.

The 2020 BC Winter Games, held in Fort St. John in February 2020, were a phenomenal success as they were able to finalize their legacy from the Games. As a result, the Games were able to reinvest \$242,000 back into the community to the benefit of 15 sports and cultural organizations.

Unfortunately, the Maple Ridge 2020 BC Summer Games were cancelled due to COVID-19. As the Society was in a bid phase for 2024 and 2026 Summer and Winter Games, it was possible to award the 2024 BC Summer Games to Maple Ridge. As well, due to the fact that this community was not able to realize a financial legacy from hosting the 2020 BC Summer Games, they were awarded a \$125,000 legacy to ensure community organizations would still benefit.

The Society was also able to provide one-time grant funding to the summer provincial sport organizations that missed out on their sport development opportunities that would have been possible in the Maple Ridge 2020 BC Summer Games. This funding allowed for 16 summer sports to receive grants that will enhance their sport development in the coming year.

The Society has been working on a Return to Games plan that will address the ongoing health and safety concerns related to COVID-19 and provide a modified delivery for the Greater Vernon 2022 BC Winter Games. With the postponement of the Niagara 2021 Canada Summer Games, the Society has developed a comprehensive educational program for recruited Mission Staff that includes Gender Based Analysis Plus (GBA+) training; diversity & inclusion workshop; and safe sport training.

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

The Society continues to perform at a high level, consistently surpassing the key performance expectations as set out in the 2020/21 Service Plan and the Mandate Letter priorities. The Society's board and staff have exceeded key performance expectations through regular meetings with senior government officials, partners and the host societies. As the Society's board is renewed and new staff members are recruited, the Society provides orientation and training opportunities.

Jamey Paterson



Board Chair, BC Games Society
May 31, 2021

Alison Noble



President and CEO, BC Games Society
May 31, 2021

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 2017, and expanded upon in the Board Chair’s [2020 Mandate Letter](#) from the Minister Responsible, shaped the goals, objectives, performance measures and financial plan outlined in the [2020/21 BC Games Society Service Plan](#) and results reported on in this annual report.

The global COVID-19 pandemic resulted in many shifts in priorities, structures and operations across the public sector. Any changes to the BC Games Society’s goals, objectives, performance measures or financial plan to align with the strategic direction established by Government in late 2020 are presented in the 2021/22 Service Plan.

Operating Environment

The Society continues to provide nation-leading expertise to its host communities and Games partners. As each BC Games is 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

COVID-19 had an impact on the Society's stakeholders forcing it to look for options to address their needs. For example, sponsors did not have the opportunity for recognition and exposure at the Games, therefore the Society was required to create other avenues that would achieve this result in order to maintain funding contributions. Corporations have now started reviewing all future event sponsorship to ensure it is a safe investment. This may prove to be a challenge for the Society going forward.

Due to the cancellation of the Games and other competition opportunities, sport stakeholders did not have a vehicle through which to implement their sport development initiatives requiring the Society to find creative avenues that allowed for program development by the sports so the athletes, coaches and officials could still benefit.

Current and future Host Societies were left in a state of unknown as to whether their Games would happen and if so, which modifications would be necessary. COVID-19 caused the cancellation of the Maple Ridge 2020 BC Summer Games. Athletes, coaches, volunteers and corporate partners were all affected by this cancellation. The Games offers the opportunity for provincial sport organizations to implement athlete, coach and official development programs. Due to the cancellation, this was not possible. Fortunately, one-time grants were made available to provincial sport organizations allowing them the opportunity to create these development programs in the absence of a Games. As well, a \$125,000 legacy fund was created for the community of Maple Ridge to address the lost opportunity to realize a financial legacy from hosting the 2020 Games. A Maple Ridge 2020 BC Games Legacy Fund Committee was established to review all applications. These legacy funds are being disbursed among local sport and cultural organizations.

To help address potential health and safety concerns with mass gatherings in the future, the Society developed a Return to Games plan for the Greater Vernon 2022 BC Winter Games. The plan provides direction and guidance on how to modify their Games, if required. The Society is working with the Host Society to plan for any associated expenses.

B.C.'s sport sector and government are working together to prevent harassment and abuse in sport and ensure positive, safe and ethical sport environments. Following the new procedures and processes introduced at the Fort St. John 2020 BC Winter Games, the Society has developed a '*Culture of the Games*' training module. This mandatory course aims to help prevent harassment

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

and abuse of any form at the Games. This initiative will continue to evolve in keeping with the priorities of our 2020/21 Mandate Letter.

Report on Performance: Goals, Objectives, Measures and Targets

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

In partnership with host societies, the Society began planning for the Greater Vernon 2022 BC Winter Games and Prince George 2022 BC Summer Games. The Society also oversaw preliminary operational planning to support Team BC's participation in the 2022 Canada Summer Games in Niagara, Ontario.

Objective 1.1 Build community capacity and individual professional development to host major events

BC Summer and BC Winter Games provide host communities with opportunities to profile their communities and to build their event-hosting capacity. Transferring knowledge and learnings from previous successful BC Games helps host communities attract and successfully deliver other major events, while also contributing to tourism and economic priorities throughout B.C. Knowledge transfer also applies to volunteer training and ensures the Games are providing a legacy of individuals across the province who have gained skills and abilities through their volunteer experiences. The Society also helps develop new young leaders in the sector through the Team BC Mission Staff program.

Key Highlights

- Identified modifications in event delivery and developed implementation guidelines to ensure success through the development of the Return to Games plan.
- Provided volunteer management expertise and access to the Society's registration software to the 2020 International Basketball Federation (FIBA) Olympics Qualifier Tournament organizers.
- Developed a comprehensive training program for Team BC Mission Staff to provide professional and personal development on topics such as cultural awareness, diversity and inclusion, safe sport, GBA+ to ensure a well-balanced team is in place for execution at the Canada Games.
- Provided training for staff on GBA+; [*Safe Sport; Making Ethical Decisions; Diversity & Inclusion*](#)² for personal and professional development that will allow for better training of volunteers in Games communities.

² This is a part of a national safe sport program delivered by the Coaching Association of Canada that provides training on equity and inclusion as well as how to address and prevent maltreatment in sport.

| Performance Measures | 2019/20 Actuals BCWG | 2020/21 Target BCSG | 2020/21 Actuals BCSG ⁴ | 2021/22 Target BCWG | 2022/23 Target BCSG |
|--|----------------------------|---------------------------|---|---------------------------|---------------------------|
| 1.1a Volunteer satisfaction with online resource materials ¹ | 85% | 85% | N/A | 85% | 85% |
| 1.1b # of Volunteers ² | 2,171 | 2,650 | N/A | 2,100 | 2,650 |
| 1.1c Mission Staff satisfaction with information and awareness sessions for skill development ³ | N/A | N/A | N/A | TBD | TBD |

Note: Acronyms for BC Summer Games (BCSG), BC Winter Games (BCWG) and Canada Summer Games (CSG) are being used to distinguish which calendar year set of Games occur in which fiscal year as performance measures may vary amongst type of Games.

Data source:

¹Based on volunteer survey using online Survey Monkey tool following each BC Games. Number set to N/A due to cancelled 2020 BC Summer Games.

²BC Games ViewTEAM volunteer registration software. Volunteer requirements vary between BC Summer Games and BC Winter Games as more sports are involved in summer games. Number set to N/A due to cancelled 2020 BC Summer Games.

³Will be based on Mission Staff survey using online Survey Monkey tool following each set of Canada Games (Canada Summer and Canada Winter Games are held every four years on an alternating schedule). Target was moved to 2022/23 due to the 2021 Canada Summer Games being postponed to 2022.

⁴Actuals for 2020/21 BC Summer Games are “N/A” as the Maple Ridge 2020 BC Summer Games were cancelled due to the COVID-19 pandemic.

Discussion of Results

As each community hosting effort is a new project with an entirely new set of community volunteers, the performance measure targets remain the same from one set of Games to the next.

Volunteer targets vary between Summer and Winter Games and vary by community depending on factors including the number of venues being used, the level of prior sport hosting experience and different approaches to organizing volunteer responsibilities. With the cancellation of the Maple Ridge 2020 BC Summer Games, it is not possible to provide actual number of volunteers that would have registered to stage the Games.

The performance measure related to Mission Staff was added in 2020/21 to reflect the Society’s contribution to individual skill development. With the postponement of the 2021 Niagara Canada Summer Games, it is not possible to assess the satisfaction of Mission Staff. However, as a result of the postponement, there has been more time devoted to providing educational and awareness training to Mission Staff so they will be better prepared for the Games in 2022. This training included GBA+; Safe Sport; *Making Ethical Decisions*; and *Diversity & Inclusion*. The Society is currently developing this new performance measure starting with the next set of Canada Games (Niagara 2022 Canada Summer Games) that will be used as a baseline to determine future benchmarks.

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

Key Highlights

- Provided \$130,000 to 16 provincial sport organizations that would have had athletes competing in the Maple Ridge 2020 BC Summer Games that were cancelled due to the pandemic. This funding was to help athletes and coaches that missed opportunities to develop as a result of participating in BC Games.
- Worked with the Indigenous Sport, Physical Activity and Recreation Council (I-SPARC) to identify Indigenous athletes and coaches to participate in future BC Games and Canada Games.

| Performance Measures | 2019/20 Actuals | 2020/21 Target | 2020/21 Actuals ¹ | 2021/22 Target | 2022/23 Target |
|---|-----------------|----------------|------------------------------|----------------|----------------|
| 1.2a BC Games head coaches are National Coaching Certification Program Competition Development certified ² | 94.6% | 85% | N/A | 85% | 85% |
| 1.2b Percentage of BC Games participants with Indigenous heritage ³ | 4% | 5% | N/A | 5% | 5% |
| 1.2c Per cent of BC Games alumni on Team BC (Canada Games) ⁴ | N/A | N/A | N/A | 50% | 50% |
| 1.2d Number of participants in the Coach Mentorship Program ⁵ | 29 | 10 | N/A | 10 | 10 |

¹The Maple Ridge 2020 BC Summer Games were cancelled due to the COVID-19 pandemic. Performance measures actuals for 2020/21 are “N/A.”

Data source:

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

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

⁴Comparison 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.

⁵ Data provided by participating provincial organizations.

Discussion of Results

With the cancellation of the Maple Ridge 2020 BC Summer Games due to the COVID-19 pandemic and Provincial Health Office Orders, it was not possible to measure performance in all of the noted Performance Measures. For example, the Society was not able to measure the number of coaches who had full certification as there were no Games held in 2020. Efforts were made to ensure some level of support was provided to the summer sport organizations that would have sent athletes, coaches and officials to the Maple Ridge games allowing sports to continue with their development in the absence of a Games. This led to the Society providing \$130,000 in total as an application-based grant program for summer sports that would have been included in the Maple Ridge games. The 16 provincial sport organizations that successfully applied for the funds will now use these grants for projects such as coach mentorship programs; certification courses for coaches especially in underserved regions; Indigenous coach and officials training;

and equipment enhancements that will ensure more meaningful competition in future BC Summer Games. All project funding had a common outcome of contributing to greater opportunity for participation of athletes, coaches and officials across the province.

In terms of the performance measure 1.2b, the Maple Ridge 2020 BC Summer Games were to include four sports (canoe/kayak, box lacrosse, golf and boys softball) in which Indigenous athletes could participate as well as coach mentorship opportunities for Indigenous coaches. As these athletes and coaches missed these opportunities because the BC Summer Games were cancelled, the Society will continue to work with I-SPARC and provincial sport organizations that are involved in BC Games (i.e. winter sports and summer sports) to increase the number of Indigenous athletes and coaches participating in respective programs and thereby increase Indigenous participation within the Games.

Due to the cancellation of the Maple Ridge 2020 BC Summer Games and the postponement of the 2021 Niagara Canada Summer Games, it was not possible to acquire data on BC Games Alumni. As well, the Coach Mentorship program did not occur as that takes place during the BC Summer Games which were cancelled.

Goal 2: Undertake entrepreneurial activities and cost-efficiencies to support financial sustainability and program enhancement

The Society continues to look for opportunities to offset budgeted expenditures or to secure corporate and donor support in order to ensure financial sustainability. This also allows the Society to provide enhancements to the program that improve the participant experience.

Objective 2.1: Ensure financial and sport legacies for host communities

Key Highlights

- The Society and the Province awarded the 2020 BC Summer Games host organizing committee a \$125,000 financial legacy that is equivalent to an average BC Summer Games legacy.
- The Fort St. John 2020 BC Winter Games host organizing committee realized a \$244,009 cash surplus. This was the largest financial legacy in the history of the BC Winter Games and allowed 15 local sport and cultural organizations in Fort St. John to benefit from the community's hosting effort.

| Performance Measures | 2019/20 Actuals BCWG | 2020/21 Target BCSG | 2020/21 Actuals BCSG¹ | 2021/22 Target BCWG | 2022/23 Target BCSG |
|---|-----------------------------|----------------------------|---|----------------------------|----------------------------|
| 2.1a \$ from Game's operating budget invested to deliver sport competitions ² | \$82,250 | \$80,000 | N/A | \$60,000 | \$80,000 |
| 2.1b \$ financial legacy (surplus from operating budget that is invested in post-Games sport development and infrastructure) ³ | \$244,009 | \$75,000 | \$125,000 | \$65,000 | \$75,000 |

¹The Maple Ridge 2020 BC Summer Games were cancelled due to the COVID-19 pandemic. Therefore, performance measures actuals for 2020 are “N/A.”

Data source:

²From host organizing committee’s audited financial statements.

³From host organizing committee’s audited financial statements.

Discussion of Results

Due to the cancellation of the Maple Ridge 2020 BC Summer Games, the host organizing committee did not have any expenditures in its operating budget to deliver the BC Summer Games’ sport competitions. This allowed the Society to provide Maple Ridge with a financial legacy (\$125,000) in lieu of what they could have realized if the Games had been hosted.

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

With the Maple Ridge 2020 BC Summer Games’ cancellation, performance measures were not achieved, however, the Society was able to renegotiate a new contract with Coast Capital Savings

Key Highlights

- There was no opportunity to leverage the Province’s investment through corporate support as the only asset the Society is able to offer is the Games and with those being cancelled, there is no avenue for recognition and exposure for a corporate partner. The Society was able to provide alternate recognition and exposure for Coast Capital Savings and has renegotiated a new contract.
- Typically local businesses will provide cash and value-in-kind to the Host Society (i.e. through a Friends of the Games program), however that was not possible due to the cancellation.

| Performance Measures | 2019/20 Actuals 2020 BCWG | 2020/21 Target 2020 BCSG | 2020/21 Actuals 2020 BCSG ¹ | 2021/22 Target 2022 BCWG | 2022/23 Target 2022 BCSG |
|--|--|--------------------------------|--|--------------------------------|--------------------------------|
| 2.2a Global BC (ad value-in-kind) | \$67,320 | \$60,000 | N/A | \$60,000 | 60,000 ² |
| 2.2b Black Press (ad value-in-kind) | \$137,988 | \$150,000 | N/A | \$150,000 | 150,000 ³ |
| 2.2c Coast Capital (cash contribution) | \$20,000 | \$60,000 | N/A | TBD ⁴ | TBD ⁵ |
| 2.2d Cash and value-in-kind (VIK) generated by host societies ² | \$293,500 cash ⁶ \$734,225 VIK | \$60,000 cash \$500,000 VIK | N/A | \$40,000 cash \$300,000 VIK | \$60,000 cash \$500,000 VIK |

¹The Maple Ridge 2020 BC Summer Games were cancelled due to the COVID-19 pandemic. Therefore, performance measure actuals for 2020 are “N/A.”

²The Society is currently in negotiations with Global BC as this partnership agreement expired in 2020.

³The Society's agreement with Black Press will expire in 2021

⁴The Society has negotiated a new contract with Coast Capital as an official awards supplier for the 2022 BC Winter Games. The target for 2021/22 was TBD in the 2020/21 Service Plan as negotiations were underway at that time.

⁵The Society has negotiated a new contract with Coast Capital as an official awards supplier for the 2022 BC Winter Games, however, the value of this is TBD.

Discussion of Results

As the Maple Ridge 2020 BC Summer Games were cancelled, the host organizing committee was not able to generate any local cash or value-in-kind sponsorships. The games cancellation also meant that Global BC and Black Press did not provide exposure for the BC Games.

In terms of the Coast Capital Savings cash contribution, with the 2020 Maple Ridge games cancelled, the Society was not able to provide recognition to Coast Capital Savings. The Society, however, was able to provide sponsor recognition through other communications vehicles such as the Society's newsletter, social media platforms, etc.

Due to the cancellation of the Summer Games, there was no fundraising done within the community which would typically result in cash and value-in-kind for their operations.

Financial Report

For the auditor's report and audited financial statements, see [Appendix B](#). This report with the audited financial statements can also be found on the BC Games Society's website www.bcgames.org.

Discussion of Results

In 2020/21, The Maple Ridge 2020 BC Summer Games were cancelled due to the impact of the COVID-19 Pandemic, resulting in financial Implications.

Due to the cancellation, there was no Corporate Partner income revenue as there was no opportunity for contracted rights and benefits and Other Income and Recoveries was \$292,000 less than budget due to no Athlete Registration fees.

The cancellation reduced some operating expenditures. Games Operations expenditures were lower than budget as no External Transportation (i.e. provision of bus / air travel for all participants) was required and Salaries and Benefits was lower than budget due to hiring delays in filling vacant positions. To address the cancellation of the Maple Ridge 2020 BC Summer Games and its impact on sport development across the province, the realized savings (i.e. remaining amount once Maple Ridge expenses were accounted for), were allocated across a variety of other sport initiatives.

Financial Summary

| \$000 | 2019/20 Actual | 2020/21 Budget | 2020/21 Actual | 2020/21 Variance |
|--|-------------------|-------------------|-------------------|---------------------|
| Revenue | | | | |
| Province of BC Grant | 2,013 | 2,034 | 2,013 | (21) |
| Team BC Grant | 112 | 250 | 119 | (131) |
| Corporate Partner Income | 80 | 20 | 0 | (20) |
| Other Income and Recoveries | 414 | 530 | 238 | (292) |
| Total Revenue | 2,619 | 2,834 | 2,370 | (464) |
| Expenses | | | | |
| Grants | 390 | 470 | 318 | (152) |
| Games Operations ² | 1,114 | 658 | 182 | (476) |
| Team BC Operating Costs | 112 | 250 | 119 | (131) |
| Salaries and Benefits ³ | 673 | 937 | 737 | (200) |
| Board Expenses | 14 | 13 | 3 | (10) |
| Contributions ⁴ | 400 | 0 | 587 | 587 |
| Administration | 280 | 317 | 242 | (75) |
| Lease Costs | 161 | 185 | 139 | (46) |
| Total Expenses | 3,144 | 2,830 | 2,327 | (503) |
| Net Income | (525) | 4 | 43 | 39 |
| Capital Expenditures | 61 | 18 | 71 | 53 |
| Total Liabilities | 509 | 0 | 437 | 437 |
| Accumulated Surplus⁵ | 632 | 416 | 675 | 259 |

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

Note 2: Team BC Operating Costs are included in Games Operations in the Service Plan

Note 3: One staff member resigned and was not replaced before year end, and one Coordinator position was vacant for two months, leading to savings for this fiscal.

Note 4 This is a one-time contribution to the Powering Potential Fund which had not been budgeted for.

Note 5 for 2020/21 the total in Accumulated Surplus is \$355,798 in cash and \$319,539 in fixed assets

Variance and Trend Analysis

An increase in the budgeted surplus 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. The Society will continue to manage expenditures in order to prepare for upcoming cost pressures expected in future fiscal years (i.e. external transportation expenses related to geographical location of host communities). The Society will continue to look for opportunities to enhance funding (i.e. corporate sponsorship; entrepreneurial opportunities) that will help to offset budgeted expenditures and maintain small surpluses in future years.

Risks and Uncertainties

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

- Maple Ridge 2020 BC Summer Games (cancelled)
- Planning for Greater Vernon 2022 BC Winter Games

Management’s Perspective on the Financial Outlook

| Risks | Mitigation Actions |
|---|---|
| <p>The COVID-19 pandemic may have lingering effects on events (e.g. increased costs for PPE, facility rental, travel as well as volunteer and sponsorship recruitment, etc.). This may impact the Society’s and host organizing committees’ budgets. As well, many public sector organizations (PSO) have been impacted by the pandemic and have limited staff resources. This may impact their ability to train athletes, coaches and officials.</p> | <p>The Society will continue to monitor Provincial Health Officer and local health authorities’ orders and guidelines, identify associated budget implications, and will work to address through operational plans and budget management.</p> <p>viaSport continues to work with provincial sport organizations to help them address impacts of the pandemic. The Province, through the Local Sport Relief Fund and other COVID-19 relief and recovery programs have provided additional support to the sport sector to help with pandemic relief and recovery as well.</p> |
| <p>Within the Return to Games plan, there may be modifications that will require increased expenses for the Host Society.</p> | <p>The Society will continue to monitor cost pressures.</p> |
| <p>Adherence to BC Games’ safety policies (e.g. harassment and abuse, concussion, anti-doping, etc.) is reliant on PSOs 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 societies 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> |

Appendix A: Additional Information

Organizational Overview

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.

Corporate Governance

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

Contact Information

For more information on the BC Games Society contact:

200 - 990 Fort Street

Victoria, B.C. V8V 3K2

(250) 387-1375

Or visit our website at www.bcgames.org

Appendix B: Auditor's Report and Audited Financial Statements

Financial Statements of

BC GAMES SOCIETY

Year ended March 31, 2021

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 & Sport**

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, 2021 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended March 31, 2021 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, 2021 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.

Dusanj & Wirk

Victoria, B.C.
May 12, 2021

Chartered Professional Accountants

BC GAMES SOCIETY

Statement of Financial Position

March 31, 2021, with comparative figures as at March 31, 2020

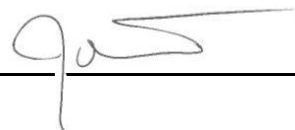
| | | 2021 | 2020 |
|--|----------|----------------|----------------|
| Financial assets | | | |
| Cash and cash equivalents | | \$ 479,240 | \$ 477,539 |
| Short term investments | (Note 3) | 300,000 | 300,000 |
| Accounts receivable | | 4,116 | 166,407 |
| Due from government organizations | (Note 4) | 9,064 | 46,350 |
| | | <u>792,420</u> | <u>990,296</u> |
| Liabilities | | | |
| Accounts payable and accrued liabilities | (Note 5) | 415,622 | 487,926 |
| Deferred contributions | (Note 8) | 21,000 | 21,000 |
| | | <u>436,622</u> | <u>508,926</u> |
| Net financial assets | | 355,798 | 481,370 |
| Non-financial assets | | | |
| Tangible capital assets | (Note 6) | 172,245 | 148,322 |
| Prepaid expenses | | 147,294 | 2,500 |
| | | <u>319,539</u> | <u>150,822</u> |
| Accumulated surplus | (Note 7) | \$ 675,337 | \$ 632,192 |

Contractual obligations (Note 12)

See accompanying notes to financial statements.

APPROVED BY THE BOARD





BC GAMES SOCIETY

Statement of Operations and Accumulated Surplus

Year ended March 31, 2021, with comparative figures for 2020

| | Budget (Note 2(k)) | 2021 | 2020 |
|--|-----------------------|--------------|--------------|
| Revenue: | | | |
| Province of British Columbia grants | \$ 2,012,500 | \$ 2,012,500 | \$ 2,012,500 |
| ViaSport contribution for Team BC | 250,000 | 118,958 | 112,048 |
| Athlete registration | 410,000 | - | 164,503 |
| Surplus recoveries (Note 10) | 75,000 | 214,366 | 111,287 |
| Funding partners | 20,000 | - | 79,418 |
| Powering Potential Fund grants (Note 11) | 10,000 | - | 65,000 |
| Interest earned | 20,000 | 23,828 | 28,467 |
| Other revenue | - | 580 | 385 |
| Contractual revenues | 15,000 | - | 45,000 |
| | 2,812,500 | 2,370,232 | 2,618,608 |
| Expenses: (Note 11) | | | |
| General operating costs | 1,430,500 | 1,827,228 | 1,639,796 |
| Games operating costs | 908,200 | 182,109 | 1,113,643 |
| Operating grants | 470,000 | 317,750 | 390,000 |
| | 2,808,700 | 2,327,087 | 3,143,439 |
| Annual surplus (deficit) | 3,800 | 43,145 | (524,831) |
| Accumulated surplus, beginning of year | 632,192 | 632,192 | 1,157,023 |
| Accumulated surplus, end of year | \$ 635,992 | \$ 675,337 | \$ 632,192 |

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Changes in Net Financial Assets

Year ended March 31, 2021, with comparative figures for 2020

| | Budget (Note 2(k)) | 2021 | 2020 |
|---|-----------------------|------------|--------------|
| Annual surplus (deficit) | \$ 3,800 | \$ 43,145 | \$ (524,831) |
| Acquisition of tangible capital assets | (18,000) | (71,487) | (61,270) |
| Amortization of tangible capital assets | 40,000 | 46,964 | 38,954 |
| Loss on disposal of tangible capital assets | - | 600 | - |
| | 22,000 | (23,923) | (22,316) |
| Acquisition of prepaid expenses | - | (149,114) | (4,684) |
| Consumption of inventories held for use | - | - | 1,360 |
| Use of prepaid expenses | - | 4,320 | 7,853 |
| | - | (144,794) | 4,529 |
| Increase (decrease) in net financial assets | 25,800 | (125,572) | (542,618) |
| Net financial assets, beginning of year | 481,370 | 481,370 | 1,023,988 |
| Net financial assets, end of year | \$ 507,170 | \$ 355,798 | \$ 481,370 |

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Cash Flows

Year ended March 31, 2021, with comparative figures for 2020

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus (deficit) | \$ 43,145 | \$ (524,831) |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 46,964 | 38,954 |
| Loss on disposal of tangible capital assets | 600 | - |
| Change in non-cash operating working capital: | | |
| Decrease (increase) in accounts receivable | 162,291 | (77,817) |
| Decrease (increase) in due from government organizations | 37,286 | (36,478) |
| Decrease (increase) in inventories held for use | - | 1,360 |
| Decrease (increase) in prepaid expenses | (144,794) | 3,169 |
| Increase (decrease) in accounts payable and accrued liabilities | (72,304) | 389,949 |
| Increase (decrease) in deferred contributions | - | 21,000 |
| Net change in cash from operating activities | 73,188 | (184,694) |
| Capital activities: | | |
| Cash used to acquire tangible capital assets | (71,487) | (61,270) |
| Net change in cash from capital activities | (71,487) | (61,270) |
| Investing activities | | |
| Decrease (increase) in short term investments | - | 800,000 |
| Net change in cash from investing activities | - | 800,000 |
| Net change in cash and cash equivalents | 1,701 | 554,036 |
| Cash and cash equivalents, beginning of year | 477,539 | (76,497) |
| Cash and cash equivalents, end of year | \$ 479,240 | \$ 477,539 |

See accompanying notes to financial statements.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2021, with comparative figures for 2020

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 85% 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, 2021, with comparative figures for 2020

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, 2021, with comparative figures for 2020

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, 2021, with comparative figures for 2020

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 2021 was approved by the Board of Directors in January 2020. This 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, which earns interest at 1.60% and has a maturity date of May 22, 2021. 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

| | 2021 | 2020 |
|--------------------------------|-------------------|-------------------|
| Trade accounts payable | \$ 25,792 | \$ 165 |
| Salaries and benefits payable | 14,354 | 17,100 |
| Accrued vacation pay | 29,191 | 33,585 |
| Accrued contribution (note 11) | 307,000 | 400,000 |
| Other accrued liabilities | 39,285 | 37,076 |
| | <u>\$ 415,622</u> | <u>\$ 487,926</u> |

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2021, with comparative figures for 2020

6. Tangible capital assets

| | Registration software | Computers | Bedding, torch, flags and signs for host societies | Furniture and equipment | Leasehold improvements | 2021 Total |
|---------------------------------|-----------------------|-----------|--|-------------------------|------------------------|------------|
| Cost | | | | | | |
| Opening balance | \$450,314 | \$93,556 | \$259,357 | \$70,166 | \$28,944 | \$902,337 |
| Additions | 35,866 | 26,456 | 8,085 | - | 1,080 | 71,487 |
| Disposals | - | (3,596) | - | - | - | (3,596) |
| Closing balance | 486,180 | 116,416 | 267,442 | 70,166 | 30,024 | 970,228 |
| Accumulated amortization | | | | | | |
| Opening balance | 408,868 | 71,499 | 197,891 | 53,563 | 22,194 | 754,015 |
| Amortization | 16,590 | 12,146 | 12,751 | 3,761 | 1,716 | 46,964 |
| Disposals | - | (2,996) | - | - | - | (2,996) |
| Closing balance | 425,458 | 80,649 | 210,642 | 57,324 | 23,910 | 797,983 |
| Net book value | \$60,722 | \$35,767 | \$56,800 | \$12,842 | \$6,114 | \$172,245 |

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

| | 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.

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2021, with comparative figures for 2020

7. Accumulated surplus

| | 2021 | 2020 |
|---------------------------------------|-------------------|-------------------|
| Investment in tangible capital assets | \$ 172,245 | \$ 148,322 |
| Operating surplus | 503,092 | 483,870 |
| | <u>\$ 675,337</u> | <u>\$ 632,192</u> |

8. Deferred contributions

Deferred contributions comprise of funds restricted for the Niagara 2022 Canada Summer Games.

| | 2021 | 2020 |
|--|------------------|------------------|
| Balance, beginning of year | \$ 21,000 | \$ - |
| Contributions received during the year | - | 21,000 |
| Revenue recognized from deferred contributions | - | - |
| Balance, end of year | <u>\$ 21,000</u> | <u>\$ 21,000</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, 2021, with comparative figures for 2020

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:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Cowichan 2018 Summer Games Society | \$ - | \$ 107,087 |
| Kamloops 2018 Winter Games Society | - | 4,200 |
| Fort St. John 2020 Winter Games society | 214,366 | - |
| | <u>\$ 214,366</u> | <u>\$ 111,287</u> |

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2021, with comparative figures for 2020

11. Expenses by object

The following is a summary of expenses by object:

| | 2021 | 2020 |
|---------------------------------|---------------------|---------------------|
| Advertising and promotions | \$ 60,545 | \$ 16,139 |
| Amortization | 46,964 | 38,954 |
| Computer maintenance | 17,358 | 12,507 |
| Contributions | 587,000 | 400,000 |
| Games operating costs | 182,109 | 1,098,643 |
| Insurance, leases and utilities | 139,380 | 161,173 |
| Office and business expenses | 66,194 | 90,128 |
| Operating grants | 317,750 | 405,000 |
| Professional services | 51,141 | 51,850 |
| Salaries and employee benefits | 737,412 | 672,301 |
| Team BC operating costs | 118,935 | 111,515 |
| Travel and accommodation | 2,299 | 85,229 |
| | <u>\$ 2,327,087</u> | <u>\$ 3,143,439</u> |

Contributions are made to the Powering Potential Fund (PPF) which is registered with the BC Amateur Sport 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. It is responsible for all operating costs associated with the property lease. These operating costs totalled \$40,222 in 2021 (2020 - \$43,117) 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:

| | 2022 | 2023 | 2024 | 2025 | 2026 |
|--------------------------------------|-------------------|-------------------|------------------|-----------------|-------------|
| General commitments | \$ 169,497 | \$ 141,721 | \$ 16,632 | \$ 8,114 | \$ - |
| Host society commitments | 350,000 | - | - | - | - |
| Anticipated host society commitments | 50,000 | 575,000 | - | - | - |
| | <u>\$ 569,497</u> | <u>\$ 716,721</u> | <u>\$ 16,632</u> | <u>\$ 8,114</u> | <u>\$ -</u> |

BC GAMES SOCIETY

Notes to Financial Statements

Year ended March 31, 2021, with comparative figures for 2020

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 five employees who met this criterion and the total amount of remuneration paid to these persons was \$519,189. During the prior year, there were six employees who met this criterion and the total amount of remuneration paid to these persons was \$575,389. The Board of Directors receives no remuneration for their services other than reimbursement of expenses.

14. COVID-19 impact on operations

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As a result of the COVID-19 crisis, the 2020 BC Summer Games scheduled to be held in Maple Ridge in July 2020, were cancelled, resulting in a decrease in revenues and operating costs relating to games.

As at May 12, 2021, the Society is not anticipating further changes to its operations, however there is uncertainty as to whether the upcoming BC Summer and Winter Games will be able to be held when scheduled in 2022.

As a result, management is unable to estimate the potential impact on the Society's operations as at the date of these financial statements.