

**BC GAMES SOCIETY**

# ANNUAL REPORT

2008 / 2009



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## 1. **Message from the Co-Chair to the Minister Responsible**

This past fiscal year saw the BC Summer Games return to Kelowna after a fourteen year absence. The capital investments made by the City of Kelowna, and their supportive partners in sport and recreation infrastructure renewal ensured the summer sport athletes and coaches had top notch facilities to compete on and in. Led by President Ron Rubadeau, the Kelowna Board of Directors welcomed 2,217 athletes, 426 coaches and 223 officials to their community. Two thousand, five hundred and sixty two volunteers were recruited and trained to host BC's best young athletes.

Staging an event of this enormity is challenging, and requires great planning and implementation on a variety of fronts. Also critical to the overall success of the BC Summer Games is the commitment made by the participating Provincial Sport Organizations (PSOs) in naming their key volunteers, providing training opportunities for coaches, and recruiting the best athletes and officials. A key measurement of this success can be found in the fact that 95% of all head coaches attending the BC Summer Games were certified to the National Coaching Certification Program<sup>1</sup> level II (NCCP II). The BC Games Society appreciates and thanks those PSOs, whose energy and effort ensured this training for their coaches, enriching the athletes' performance while creating a legacy of stronger leadership in sport across BC.

An expression of the importance of quality coaching came from a North Vancouver soccer parent who said in an email to the BC Games Society, *"the coach has made a huge difference in how our son and the other players play the beautiful game. Our son has improved so much since April. We have never seen him so dedicated and so passionate for soccer. This is one of the best results of this BC Games campaign."*

Measuring the impact of the BC Summer Games goes far beyond empirical data, but to the core of community gain, and personal growth. While this report focuses on measurements, targets, and strategies, the true value in the BC Games is in the stories told by those who come in contact with BC's largest multisport event.

*"I am also privileged to see the impact of the games not only at the host community level, where the BC Games are written into their community's history, but among the athletes and their friends, relatives and supporters. My daughter had a BLAST!!!!!! The fact that the Games experience stood out as one of her most memorable to date speaks volumes for the Games because she has had other experiences at the national level. She loved the closing ceremonies and explained how all the athletes were entranced by the images of themselves and others. Making them feel that it really was "their" Games because there "they" were on the screen."* Those words were written soon after the success of the Kelowna 2008 BC Summer Games by Wendy Ladner Beaudry. Wendy attended in her capacity as BC Games Society Co-Chair, and also as a parent of Jenna, her triathlete daughter. Sadly, Wendy was tragically taken from us while out for a run on April 3, 2008. Wendy's passing has left the BC Games Society and the provincial sport sector without a strong advocate for sport; she personified goodness, and brought out the best in those around her and valued greatly the impact the Games have on British Columbians. In that same email, Wendy said, *"my admiration for the BC Games staff*

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<sup>1</sup> coach.ca for complete details

*increases with every exposure to the Games. With each opportunity to participate, the layers are pulled away and I become more aware of the scope of the logistical details that you all have to deal with constantly.”*

The 2008 / 2009 BC Games Society Annual Report was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the contents of the report, including the selection of the performance measures and how the results have been reported. The information presented represents the actual performance of the BC Games Society for the twelve months ended March 31, 2009. All significant decisions, events and identified risks, as of May 8, 2009, have been considered in this report.

The information is presented in accordance with the *BC Reporting Principles* and represents a comprehensive picture of our actual performance in relation to our service plan. The measures are consistent with the BC Games Society’s mission, goals and objectives and focus on aspects critical to the organizations performance.

I am responsible for ensuring internal controls are in place to ensure performance information is measured accurately and in a timely fashion.

This report contains estimates and interpretative information that represent the best judgment of management. Any significant limitations in the reliability of data are identified in the report.

In closing, I wish to express my Board’s sincere appreciation to Minister Mary Polak for her commitment and support of her Board of Directors and staff in the delivery of the five BC Games. It is through the vision of the Board, and the professionalism of the staff that the BC Games Society has built such a strong reputation inside and outside the province of British Columbia.

Respectfully submitted



Frank Lento, Co-Chair<sup>2</sup>  
BC Games Society

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<sup>2</sup> addition of 2<sup>nd</sup> Co-Chair anticipated for November 2009

## 2. *Organizational Overview*

### **The Purpose of the BC Games Society is:**

To provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport which promotes interest and participation in sport and sporting activities, individual achievement, and community development. Specifically, our purpose is:

- ❑ to motivate British Columbians to achieve a higher level of fitness and physical well-being through participation in amateur sports and physical activity
- ❑ to encourage and motivate athletes, coaches, and officials to attain a higher level of skill and competitive achievement
- ❑ to organize competitive sport events that will serve as preparation for higher level competition and play an integral role in the BC sport delivery system
- ❑ to provide each hosting community with a legacy of experienced volunteers and facility improvements
- ❑ to share the spirit of the Games with British Columbians of all regions of the province
- ❑ to celebrate the community

The BC Games Society was established in 1977 to provide community and sport development opportunities across BC. The Society is included in the public accounts of the Government of British Columbia and is a crown agency subject to the *Budget Transparency and Accountability Act*. The Society was incorporated under the Society Act in 1987 to provide event management leadership to achieve sport, individual and community development.

Since 1978, the BC Games Society (Society) has been staging the BC Winter and BC Summer Games. The two events, held every even calendar year, are BC's largest 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 host communities. These host cities then form separate not-for-profit societies for the three-year cycle of their games management.

The scope of the BC Games was broadened in 1994 with the addition of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games. Similar to our work with the BC Winter and Summer Games, the Society provides support and resources to each of these Games, with policy direction coming from the respective Boards of these three Games. Host cities also form their own societies during the cycle of Games hosting.

In February 2007, the BC Seniors Games Society negotiated a stand-alone agreement removing them from the Family of Games, while retaining the event management services of the BC Games Society under an annual contract.

Provincial funding for the BC Games Society is provided through a *Transfer Under Agreement* signed by the Sport and Recreation Branch of the Ministry of Healthy Living and Sport.<sup>3</sup>

Communities across the province embrace the BC Games as an opportunity to highlight their citizens, facilities and hometown pride to the rest of BC. While the BC Games are a four day celebration, the legacy of these multi-sport events carries forward in new and improved facilities, enhanced volunteers skills, and financial impacts resulting from participant and visitor spending, and legacy investments.

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<sup>3</sup> effective June 2008, responsibility for the BC Games Society moved from Tourism, Sport and the Arts

## **Mission, Vision, Values<sup>4</sup>**

### **Mission**

Through partnerships, the BC Games Society is committed to providing event management leadership in the creation of development opportunities for individuals, sport organizations, and host communities.

### **Vision**

- Entrepreneurial approaches, mutual accountability, and transparency in all our partnerships are standard methods of operation.
- The economic and social benefits to communities in hosting the Games produces quality bids and experiences from a variety of host communities.
- BC athletes, coaches, and officials in national and international competition will benefit from the experience of a BC Games.
- Public and private sectors value and support the BC Games.
- Host Communities, athletes, coaches, managers, officials, and volunteers remember the BC Games as a best ever multi-sport experience.
- The BC Games are a vehicle for community legacies, trained coaches, new sport clubs, facility improvements, community pride and spirit, and skilled event management volunteers in each host community.
- BC Games Society Board represents an effective, ethical, and responsible model in leadership and governance.

### **Values**

Values that underpin how we interact in our relationships:

- Partnerships and collaboration are the foundation to our working relationships where appreciation and understanding of all partners' perspectives is actively sought.
- We have an organizational climate of mutual trust and support between Board and Staff, where roles and responsibilities are clarified, policies are followed and contributions of the team and individuals are honoured.
- Our dynamic approaches continually redefine and determine the most efficient and effective method of delivering event management services and programs.
- Commitment to social issues affecting all British Columbians around health and wellness, personal and community development, equity, access, and inclusiveness is demonstrated.
- Investment in our human resources is critical to our long-term success and we strive to offer personal/professional development opportunities to Board, Staff, and Volunteers.

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<sup>4</sup> Mission, Vision, Value statements were revised by the BC Games Society Board of Directors effective October 2008

### **3. Report on Games Performance**

The core business of the BC Games Society is the event management of the BC Winter and BC Summer Games. In support of these two multi-sport events, it is important that the operations of the Society are supplemented through corporate partner investment. The goals, measures, objectives and targets identified in this Annual Report highlight the role we play within the sport system, and acknowledge the need to assist in the financial stability of our organization.

Successful outcomes due to effective management ensure longevity of the hosting rotations around the province. By establishing the BC Winter and Summer Games as a focal point for athlete and coach development, it is important that we measure benchmarks in the successful progression of athletes and coaches. Bringing the business community to aid in the success of the BC Games is critical as their support contributes significantly to the overall success of each Games, while ensuring government's investment is maximized.

Volunteerism across the province, and across many sectors is being challenged as the "traditional pool" of community involvement is aging. While opportunities exist for the BC Games and the sport sector to recruit BC's aging population into key volunteer positions, Kelowna struggled to recruit the traditional number of 3200 volunteers for a BC Summer Games. Using this norm, Kelowna fell short of their target of 3200 volunteers by 638 or 19.5%. This shortfall did create challenges, but other volunteers did far more than expected and filled the gaps effectively. The BC Games Society fully values the role the volunteer plays in the success of the Games; significant work must be done within the volunteer sector to recognize and value volunteers if the BC Games and sport are to continue to flourish.

Financial support, through the recruitment of local sponsorship, of the work done by volunteers in Games communities continues. Unaudited financial statements for the Kelowna 2008 BC Summer Game show a local investment of \$35,083 with the City contributing an additional \$60,000; an additional \$48,200 of value-in-kind helped offset some budgeted expenditures resulting in a community legacy of \$77,867.<sup>5</sup>

#### **Risk and Sensitivities**

During the period covered by this Annual Report, the BC Games Society planned for / funded / implemented:

Kelowna 2008 BC Summer Games  
Prince George 2008 BC Seniors Games  
Mackenzie 2009 Northern BC Winter Games  
Maple Ridge – Pitt Meadows 2009 BC Disability Games  
Richmond 2009 BC Seniors Games  
Prince Rupert 2010 Northern BC Winter Games  
Terrace 2010 BC Winter Games

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<sup>5</sup> Legacy is comprised of budget savings interest, and souvenir sales. Public process, following BC Games Society policy determines distribution after audit is complete

The BC Games Society relies on third party delivery for the recruitment of athletes who attend the BC Winter and BC Summer Games. This recruitment and training of attending coaches and officials is the responsibility of the participating Provincial Sport Organizations (PSOs). Their successes in recruitment and training are reflected in our statistics pertaining to athletes and coaches. While the BC Games Society provides the Games as an opportunity for athlete, coach, and officials' development, the onus is on the Provincial Sport Organizations to make the most of this event to help develop their sport.

Many sports used the 2008 BC Summer Games as an athlete development opportunity, filling nearly every spot allocated to athletes. Basketball, Box Lacrosse, Soccer, and Golf brought athletes from all eight zones and filled 90% or more of their allocated spots. Rugby brought athletes from only five zones, using 61% of their allocated spots, while Shooting Sports brought 49% of their maximum number of athletes, from only four zones.

All but five sports ensured that 100% of their Head Coaches met the minimum NCCP II certification for the Games. Of the five that did not meet 100% certification, only Cycling missed it significantly, having provided only two out of seven certified coaches<sup>6</sup>. Overall certification of head coaches is up significantly from previous Games to 95% from 74% in 2006.

Overall, the sports in the Games do a good job of providing and training the appropriate level of Officials for the BC Summer Games level of play.

Discussions and organizational support from the provincial sport system continues with all participating PSOs to assist them in improving or increasing their overall organizational health as it pertains to their participation in the BC Summer Games.

Ownership of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games lies with their respective Boards. The agreements with the respective agencies are for event management services only, and subsequently any advice and/or direction by the Society can be superseded by the Partner Board.

In all instances of the BC Games Society involvement, there is an underlying faith that cities and municipalities wish to host, and volunteer for, the BC Games. Recent decisions by the Northern BC Winter Games Society and BC Disability Games Society<sup>7</sup> will move their Games to a biennial model (odd calendar year) effective 2011 for the Northern Games, and 2007 for the BC Disability Games. This decision reflects the current saturation of multi-sport games and similar events on the host cities, their volunteers, and their business communities. The BC Games Society decision to go from an annual event to a biennial event (even years) in 1997 has assisted in maintaining an interest in hosting the BC Winter and/or BC Summer Games by cities across BC. A strong indication of the value communities place on the BC Winter and Summer Games was that twelve bids were received to host either the 2012 or 2014 BC Winter or BC Summer Games.<sup>8</sup>

The BC Seniors Games Society wishes its BC Seniors Games to remain an annual event.

The BC Games Society is staffed by nine full time employees, five of whom spend significant periods of time travelling to the host cities in support of volunteers. Three administrative staff

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<sup>6</sup> coaching certification figures provided by Provincial Sport Organizations and the national coaching database

<sup>7</sup> formerly BC Disability Sports Society. New name effective September 2008

<sup>8</sup> winning communities can be viewed at [bcgames.org](http://bcgames.org)

assist their work, and aids the functions of the President and CEO's office and the Board of Directors. Our *Guidelines for the Host Community*, an on-line resource exclusive to the BC Games Society, empower the volunteers with tasks, timelines and samples, meaning that staff time is maximized, and any one manager can provide assistance to possibly as many as six communities concurrently.

As noted in the results on the following pages, the BC Games Society was able to meet its objectives. These results further express the value of the BC Games in sport and community development. The BC Winter and Summer Games continue to provide opportunities for provincial and multi-sport organizations to align participation and competition with the Canadian Sport for Life approach. Through our actions, the Board and staff of the BC Games Society remain committed to joining its partners in sport and recreation in furthering positive health, social and economic outcomes for the Province of BC and its citizens.

#### **4. Alignment with Government's Strategic Plan**

The BC Games Society supports three of the Government's priorities as identified in their Strategic Plan.

##### **To lead the way in North America in healthy living and physical fitness**

The purpose of the BC Winter and BC Summer Games is to provide an opportunity for the development of athletes, coaches, and officials in preparation for higher levels of competition in a multi-sport event. The Society promotes interest and lifelong participation in sport and sporting activities, and individual achievement. All five BC Games promote healthy, active lifestyles for a broad range of populations, and builds capacity in skilled volunteers, sport programs, equipment and facilities, all avenues that continue to contribute to healthy communities. Additionally, all BC Games provide participation and competition opportunities which are aligned with the goals and objectives of the Canadian Sport for Life<sup>9</sup> model – an approach that the Ministry of Healthy Living and Sport, and its partners, along with the sport and recreation sectors, are implementing in BC.

##### **To build the best system of support for persons with a disability, special needs, children at risk, and seniors.**

Integration of athletes with a disability has been part of our Games model since our inception. We continue to support further integration by expanding opportunities for Paralympic sports particularly in our BC Winter Games. Our event management service agreement with the BC Seniors Games and the BC Disability Games provides additional financial resources and professional staff support to these Games, and contributes to a positive experience for athletes from both constituencies.

##### **To make BC the best educated, most literate jurisdiction on the continent**

Our commitment to the provision of quality written resources for the training and education of volunteers continues. Recognized nationally for their thoroughness and ease of use, our *Guidelines for the Host Community* are now online making them more accessible to more volunteers.

Additionally, through our Shareholder's Letter of Expectation (SLE) signed with the Ministry of Healthy Living and Sport, the BC Games Society...

- continues to position the BC Games as an opportunity to promote the values of ActNow BC
- until December 31, 2008, showcased the BC Games within the BC150 celebrations
- continues to make decisions which result in lesser environmental impacts, thereby assisting the public sector become carbon neutral by 2010

The entire SLE may be read at [bcgames.org](http://bcgames.org) - - - click on *About Us*

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<sup>9</sup> framework for sport participation from childhood to seniors see LTAD.ca

<b>Goal 1 – Effective Management of BC Winter Games, BC Summer Games and Partner Games</b>						
<b>Objectives</b>						
In partnership with the Kelowna 2008 BC Summer Games Society, the Terrace 2010 BC Winter Games Society, and the Township of Langley 2010 BC Summer Games plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, funding and corporate partners. Working with the Parent and local Boards of the Northern BC Winter Games, the BC Disability Games, and the BC Seniors Games, plan, prepare, and implement quality multi-sport events for the benefit of participants, volunteers, and funding and corporate partners.						
<b>Key Strategies</b>						
Provide concise written online materials to support the volunteers in creating quality BC Games Promote PSO's use of the BC Winter and BC Summer Games through Memorandums of Understanding as a key element in the continuum of their athlete, coach, and officials' development while recruiting and maintaining a key network of key sport volunteers across the province.						
<b>Performance Measures</b>	<b>Actuals</b>				<b>Variance</b>	<b>Target</b>
	05 / 06 Greater Trail 2006 Winter	06 / 07 Actuals Kamloops 2006 Summer	07 / 08 Actuals Kimberley – Cranbrook 2008 Winter	08 / 09 Kelowna 2008 Summer		
Volunteers use and value online tasks, samples and protocols to effectively manage their BC Games <sup>10</sup>	75% satisfaction rating of online resources	87% satisfaction rating of online resources	91% satisfaction rating of online resources	87% satisfaction rating of online resources	7% improvement on target of 80% satisfaction rating constant review and updating ensure online resources are practical and comprehensive	80% satisfaction – measurement surveys to begin in Feb. 2010
Head coaches attending the BC Winter and BC Summer Games are certified to the required National Coaching Certification Program level II	52% of coaches were certified to required standard	74% of coaches were certified to required standard	65% of coaches were certified to required standard	95% of coaches were certified to required standard	21% improvement over 2006 BC Summer Games	80% of coaches will be certified
BC Winter and BC Summer Games athletes and coaches move on to higher levels of competition including the Canada Games <sup>11</sup>	41% (144) athletes and 75% (40) coaches attending the 2005 Canada Summer Games were BC Games alumni (52.5% of entire team)	65% (176) athletes and 29% (19) coaches attending the 2007 Canada Winter Games were BC Games alumni (58% of entire team)	2009 Canada Summer Games to include 60% BC Games alumni  2011 Canada Winter Games to include 65% BC Games alumni	measurements for 2009 to be completed in Oct. 2009	no benchmarks for comparative purposes  anticipating greater percentages given the adoption of LTAD by the sport sector	measurements to begin March 2011
Legacies <sup>12</sup> from BC Winter and BC Summer Games include new sport club development, trained volunteers, and facility upgrades <sup>13</sup>	3035 volunteers were recruited and trained direct cash investment in sport was \$90,000 legacy investment was \$34,921	3246 volunteers were recruited and trained direct cash investment in sport was \$35,917 legacy investment was \$101,576	3,033 volunteers were recruited and trained direct cash investment in sport was \$77,000 legacy investment was \$118,646	2562 volunteers were recruited and trained direct cash investment in sport was \$60,034 legacy investment is \$77,867	638 volunteers short of anticipated recruitment sport investment was lower by \$19,966 legacy to community was \$22,133 lower than projected <sup>14</sup>	anticipated volunteer recruitment to be 2200 investment in sport to equal \$80,000 legacy investment post Games equal to \$55,000

<sup>10</sup> statistics gathered by BC Games Society using Zoomerang.com

<sup>11</sup> Team BC statistics provided by the Team BC program (Sport and Recreation Branch / Ministry of Healthy Living and Sport)

<sup>12</sup> financials from audited statements

<sup>13</sup> volunteer figures from BC Games Society viewTEAM enabling software

<sup>14</sup> volunteer and business fatigue contributed to lower than forecast

<b>Goal 2 – Entrepreneurial Activities</b>						
<b>Objectives</b>						
To ensure the financial sustainability and enhancement of the BC Games through entrepreneurial activity by increasing the level of non-governmental fiscal support of the BC Winter and BC Summer Games						
<b>Key Strategies</b>						
Establish new and maintain existing corporate partners through delivery on our contractual obligations						
Provide supportive documentation and event management to Host Communities to recruit and develop local cash						
<b>Performance Measures</b>	<b>Actuals<sup>15</sup></b>				<b>Variance</b>	<b>Target</b>
	05 / 06 Greater Trail 2006 Winter	06 / 07 Actuals Kamloops 2006 Summer	07 / 08 Actuals Kimberley – Cranbrook 2008 Winter	08 / 09 Actuals Kelowna 2008 Summer		
As corporate partners, Air Canada Jazz, Global BC, and TELUS provide cash and in-kind services to offset budgeted expenditures	AC Jazz provided \$110,000 value through charter discounts and staff travel	AC Jazz provided \$110,000 value through charter discounts and staff travel	re-signed AC Jazz to a 2 year deal valued at \$120,000 (\$60,000/yr.)	completed 2 <sup>nd</sup> year with AC Jazz	business decision to support only BC Winter and BC Summer Games reduced overall deal by \$50,000 annually <sup>17</sup>	re-sign with AC Jazz at a reduced value
	Global BC provided \$80,000 in-kind value	Global BC contract re-signed until 2011 – continues to provide \$80,000 in-kind value	Global BC provided \$120,000 of coverage related to BC Winter Games	Global BC provided \$170,730 <sup>16</sup> of coverage related to BC Summer Games	Global BC continues to support the BC Winter Games with production, promotional time, and news coverage.	continue ongoing agreement
	TELUS provides \$85,000 cash and in-kind value	TELUS provides \$85,000 cash and in-kind value	TELUS provides \$85,000 cash and in-kind value	TELUS provides \$85,000 cash and in-kind value	TELUS provided \$60,000 cash and in-kind value	investment reduced by \$25,000 to BC Games Society. \$25,000 VIK provided to Kelowna Games
Host Community budgets are supported by local government and business through cash and in-kind contributions			BC Lottery Corp. (SportsFunder) signed to one year deal valued at \$50,000	BC Lottery Corp. (SportsFunder) signed to one year deal valued at \$35,000	reduced funding due to increased demands o BCLC's corporate support provincially	re-signed for 1 year at 08 / 09 figures
	received \$60,000 of cash and \$375,000 of in-kind value	received \$107,650 cash and \$255,411 of in-kind value	received \$68,155 cash and \$247,497 of in-kind value	received \$95,083 cash and \$484,200 of in-kind value	exceeded cash recruitment by \$55,083 <sup>18</sup> and in-kind recruitment by \$184,000	anticipated recruitment of \$40,000 cash and \$225,000 value-in-kind

<sup>15</sup> sources for financial figures from respective corporate contracts and community audited statements

<sup>16</sup> Global's valuation of airtime on CHAN & CHEK (48% primetime)

<sup>17</sup> cost containment strategies within budget ensures no lapse of travel to hosting communities

<sup>18</sup> cash includes City of Kelowna's contribution of \$60,000

## 5. Financial Report

### Management Discussion and Analysis

Assessment of Results of Operations and Changes in Financial Conditions

#### Summary Financial Outlook 2007/08 - 2012/13

	in 1000's									
	2007/08	2008/09	2008/09	Budget	Year	2009/10	2010/11	2011/12	2012/13	
	Actual	Budget	Actual	Variance	Variance	Forecast	Forecast	Forecast	Forecast	
<b>Revenues</b>										
Ministry Grant	2,002	2,002	2,002	0	0	2,002	2,002	2,002	2,002	
Other Revenues	432	619	477	-155 <sup>1</sup>	32	423	572	407	592	
<b>Total Revenue</b>	<b>2,434</b>	<b>2,621</b>	<b>2,479</b>	<b>-155</b>	<b>32</b>	<b>2,425</b>	<b>2,574</b>	<b>2,409</b>	<b>2,594</b>	
<b>Expenditures</b>										
Grants	700	825	772	-53	72	334	869	394	579	
Games Operations	688	585	536	-49	-152	916	516	816	816	
Overhead	999	1,211	1,158	-54	158	1,175	1,189	1,199	1,199	
<b>Total Expenses</b>	<b>2,387</b>	<b>2,621</b>	<b>2,466</b>	<b>-155</b>	<b>78</b>	<b>2,425</b>	<b>2,574</b>	<b>2,409</b>	<b>2,594</b>	
<b>Operating Income ( Loss )</b>	<b>47</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Operating and Capital Surplus B/F	847	894	894	13		907	907	907	907	
<b>Operating and Capital Surplus C/F</b>	<b>894</b>	<b>894</b>	<b>907</b>	<b>13</b>		<b>907</b>	<b>907</b>	<b>907</b>	<b>907</b>	
<b>FTEs</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	
<b>Capital Expenditures</b>	<b>76</b>	<b>19</b>	<b>20</b>	<b>0</b>	<b>66</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>19</b>	

<sup>1</sup> reduction in total participants compared to Budget

A projected balanced budget for 2008 / 2009 resulted in a surplus of \$13,365. Travel costs related to our Host Community involvement continue to challenge the society, despite significant decreases in overall travel and greater reliance on teleconferencing.

The BC Games Society Board recognizes and appreciates that budgetary control is critical to our long-term financial health. Each year, management prepares a two-year budget for approval by the Finance Committee and the Board of Directors. These budgets consider our strategic objectives of our annual Service Plan, and the geographic locations of the communities in which Games are being hosted. Expenditures for the fiscal year ending March 31, 2009 were \$2,465,990 an increase of \$78,798 over the previous fiscal year.

As an organization, the BC Games Society plans in two-year cycles, taking into account our two major events and largest expenses, the BC Winter Games and the BC Summer Games. Fiscal year 2008/2009 featured the Kelowna 2008 BC Summer Games; they received a grant of \$600,000 with an additional \$508,692 spent on external travel for athletes attending those Games.

Budget surpluses at the BC Summer and Winter Games host community level are shared equally between the host and this society. Audited figures for the 2008 BC Summer Games will not be known until August 2008; anticipated return from those Games is \$65,000.

BC Games Society also provides grants to the Northern BC Winter Games and the BC Disability Games amounting to \$90,000. Surpluses in those communities are not split with the BC Games Society but go directly back to the Parent Society of the respective Games.

### **Major Risks and Opportunities**

Events in the Province are increasing with the onset of the 2010 Olympic and Paralympic Games. Each of those events requires business support, as well as volunteer labour. The society continues to monitor the pressures of staging this number of events within the province as sponsorship and volunteer fatigue, saturation of available hosting communities, and overall fiscal sustainability continue to offer challenges.

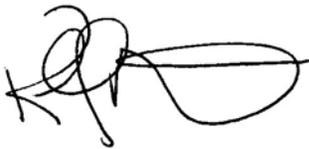
We also acknowledge the challenges in bringing new corporate partners to support our work. The re-signing of Air Canada Jazz is significant given the fragility of the airline industry, having the BC Lottery Corp. remain as a partner is testament to the value they place in the BC Games as an instrument to speak to volunteers, and continuing relationships with TELUS and Global BC open doors to prospective new partners.

The breadth of the global economic crisis will impact BC Games communities and their capacity to secure local funding and volunteers. Thus economic uncertainty may also affect our ability to secure future bids to host beyond 2010.

## Management's Responsibility for Financial Reporting

The financial statements of the BC Games Society have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the Society as at March 31, 2008 and the results of its operations.

Management is responsible for the integrity of the financial statements and has established policies as conveyed by the Auditor General of British Columbia regarding internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial statements prepared in a timely manner. Inherent to the concept of reasonable assurance is the recognition that there are limits in all internal control systems and that system costs should not exceed the expected benefits.



Kelly Mann  
President and CEO



Gordon Hutcheson, FCA  
Accountant

## 6. Corporate Governance

The BC Games Society, as a Service Crown Agency, is responsible to the Minister of Healthy Living and Sport.

A fifteen member community based Board of Directors, appointed by Ministerial Letter, sets the strategic direction of the BC Games Society within direction from the provincial sport system with approval by the Minister. President and CEO, Kelly Mann, is given direction by the Board and is accountable for managing the operations of the Society. The Director's activities and responsibilities are governed by *Best Practice Guidelines for Governance and Disclosure for Governing Boards*.

The Society receives its core funding through a Transfer under Agreement with the Sport and Recreation Branch of the Ministry of Healthy Living and Sport.

The Board of Directors' guiding principles are:

Accountability and Performance	Clarity of Roles and Responsibilities
Openness, Trust and Transparency	Service and Corporate Citizenship
Stewardship, Leadership and Effectiveness	Value, Innovation and Improvement

### Board Members and Committees

#### Committees of the Board

*Finance* – responsible for the review of all financial reports, audited statements, and supporting financial materials in order to make recommendations to the Board

*Sport* – reviews and recommends to the Board, sports and communities for inclusion in the BC Winter and Summer Games

*Marketing and Communications* – assist in the development of the strategic direction for marketing the BC Games as well as recommending options for Corporate Partner benefits and acquisition

Wendy Ladner Beaudry,<sup>20</sup> Co-Chair, Vancouver

Frank Lento, Co-Chair and Sport Committee, Fernie

Sharon White, Provincial Government, Marketing and Communications Committee, Audit Committee, Victoria

Scott Braley, Sport Committee, North Vancouver

Bob Irwin, Northern BC Winter Games Society, Sport Committee, Kitimat

Anoop Sharma, BC Disability Games Society, Vancouver

Kelly Stefanyshyn, Sport Committee, Vancouver

Gary Young, Chair, Marketing and Communications Committee, North Vancouver

Bruce Johnson, Finance Committee, Penticton

Renee McCloskey, Prince George

Kimberly White Gilhooly, Chair, Sport Committee, Marketing and Communications Committee, Vernon

Ken Wood, Sport Committee, Coquitlam

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<sup>20</sup> Deceased April 2008

Rod Cox, Terrace, Chair, Finance Committee, Marketing and Communications  
Committee  
Dorothy Paul, Sport Committee, Brentwood Bay

Additional information on Board members and Board policies is available on our website. The BC Games Society complies with the provincial government's Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations. See [http://www.bcgames.org/facts\\_and\\_figures\\_board\\_governance.html](http://www.bcgames.org/facts_and_figures_board_governance.html)

**Financial Statements of**  
**BC GAMES SOCIETY**  
**Year Ended March 31, 2009**



MANTELL | DICKSON | BLADES | WISEMAN  
Chartered Accountants

102-4430 Chatterton Way Victoria, BC V8X5J2  
Tel: 250.744.3543 | Fax: 250.744.3546  
Web: www.mdw.ca

## AUDITORS' REPORT

### To: The Board of Directors of the BC Games Society

We have audited the statement of financial position of the BC Games Society as at March 31, 2009 and the statement of operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2009 and the results of its operations and changes in net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Victoria, B.C.  
April 23, 2009

Chartered Accountants

*Mantell Dickson Blades Wiseman*

**BC GAMES SOCIETY****STATEMENT OF FINANCIAL POSITION****MARCH 31,****2009**  
**\$****2008**  
**\$**

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	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	817,463	1,080,559
Receivables	19,151	167,362
Inventory	3,340	2,285
Prepays	1,700	1,642
	<u>841,654</u>	<u>1,251,848</u>
PROPERTY AND EQUIPMENT <i>(Note 3)</i>	<u>127,731</u>	<u>139,196</u>
	<u>969,385</u>	<u>1,391,044</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Payables and accruals	52,848	483,344
Deferred funding <i>(Note 8)</i>	9,554	14,082
	<u>62,402</u>	<u>497,426</u>
<b>NET ASSETS</b>		
NET ASSETS INVESTED IN PROPERTY AND EQUIPMENT	127,731	139,196
UNRESTRICTED NET ASSETS	<u>779,252</u>	<u>754,422</u>
	<b><u>906,983</u></b>	<b><u>893,618</u></b>
	<u>969,385</u>	<u>1,391,044</u>

COMMITMENTS *(Note 5)*

APPROVED BY THE BOARD

\_\_\_\_\_, Director

\_\_\_\_\_, Director

*See accompanying notes*

**BC GAMES SOCIETY****STATEMENT OF CHANGES IN NET ASSETS****YEAR ENDED MARCH 31,*****CURRENT YEAR (2009)***

	<b>Invested in Property and Equipment \$</b>	<b>Unrestricted \$</b>	<b>2009 Total \$</b>
NET ASSETS, beginning of year	139,196	754,422	893,618
EXCESS OF REVENUE OVER EXPENSES	-	13,365	13,365
AMORTIZATION	(31,303)	31,303	-
INVESTMENT IN PROPERTY AND EQUIPMENT	19,838	(19,838)	-
NET ASSETS, end of year	<u>127,731</u>	<u>779,252</u>	<u>906,983</u>

***PRIOR YEAR (2008)***

	<b>Invested in Property and Equipment \$</b>	<b>Unrestricted \$</b>	<b>2008 Total \$</b>
NET ASSETS, beginning of year	91,207	755,733	846,940
EXCESS OF REVENUE OVER EXPENSES	-	46,678	46,678
AMORTIZATION	(27,737)	27,737	-
INVESTMENT IN PROPERTY AND EQUIPMENT	75,726	(75,726)	-
NET ASSETS, end of year	<u>139,196</u>	<u>754,422</u>	<u>893,618</u>

*See accompanying notes*

# BC GAMES SOCIETY

## STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31,	2009 \$	2008 \$
<b>REVENUE</b>		
Province of British Columbia - Operating Grant	2,002,000	2,002,000
BC Senior Games Service Agreement	52,381	55,000
Funding partners ( <i>Note 7</i> )	79,139	80,000
Souvenirs	2,462	5,168
Contractual revenues, net	1,195	2,250
Athlete registration	302,186	201,143
Interest earned	39,992	88,309
	<u>2,479,355</u>	<u>2,433,870</u>
<b>EXPENSES</b>		
Salaries and employee benefits	685,361	595,254
Travel and accommodation	112,863	93,506
Professional services	50,092	29,779
Computer maintenance	11,790	10,340
Office and business expenses	96,066	72,073
Advertising and publications	44,018	60,521
Insurance, leases and utilities	126,232	110,651
Games operating costs	536,336	687,843
Amortization	31,303	27,737
Operating grants, less returns	771,929	699,488
	<u>2,465,990</u>	<u>2,387,192</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>13,365</u>	<u>46,678</u>

*See accompanying notes*

# BC GAMES SOCIETY

## STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31,

2009  
\$

2008  
\$

### CASH FLOW DERIVED FROM (APPLIED TO)

Operating		
Excess of revenue over expenses	13,365	46,678
Amortization	<u>31,303</u>	<u>27,737</u>
	44,668	74,415
Changes in non-cash operating working capital		
Receivables	148,211	(157,153)
Inventory	(1,055)	2,218
Prepays	(58)	-
Payables and accruals	(430,496)	438,888
Deferred funding	<u>(4,528)</u>	<u>(9,021)</u>
	<u>(243,258)</u>	<u>349,347</u>
Investing		
Purchase of property and equipment ( <i>Note 3</i> )	<u>(19,838)</u>	<u>(75,726)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(263,096)	273,621
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,080,559</u>	<u>806,938</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>817,463</u></u>	<u><u>1,080,559</u></u>
CASH AND CASH EQUIVALENTS is comprised of:		
Royal Bank operating account	23,542	303,350
BCIMC Investment Trust account	<u>793,921</u>	<u>777,209</u>
	<u>817,463</u>	<u>1,080,559</u>

*See accompanying notes*

# BC GAMES SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

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### 1. STATEMENT OF PURPOSE

The Society was incorporated under the Society Act on June 26, 1987. Currently, the purpose of the Society is to provide event management leadership to achieve sport, individual and community development.

Approximately 81% of the Society's annual revenues are received from the Province of British Columbia with the remainder generated by corporate sponsors, surpluses from host societies, athlete registration fees, contract service and interest.

The Northern B.C. Winter Games, the BC Winter Games, the B.C. Disability Games, the BC Summer Games and the B.C. Seniors 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.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

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

#### (a) Property and Equipment

Amortization is calculated on a straight-line basis over the asset's estimated useful economic life, as follows:

Computers and application software	3-5 years
Registration software and computer cabling	5 years
Bedding, flags and signs for Host Societies	12 years
Furniture and equipment	10 years
Trademarks	20 years
Leaseholds	over the term of the lease

In the year of purchase assets are amortized proportionately over the period of use.

#### (b) Revenue Recognition

The Society follows the deferral method of accounting for Grants and Contributions received, whereby revenues are matched with expenses. Restricted contributions, if any, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

Donated or discounted goods and services are recorded at the amount of cash consideration.

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

# BC GAMES SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

#### (c) *Use of Estimates*

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results may vary from the current estimates.

#### (d) *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.

#### (e) *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.

#### (f) *Grants to Host Societies*

Grants to host societies are recorded as an expense when disbursement of funds has been authorized.

#### (g) *Financial Instruments*

The Society invests in short term investments held by BC Investment Management Corporation which provides fund management services for public bodies and publicly administrated trust funds.

The Society has designated cash and short-term investments as held for trading and carries them at fair value as the fair value is readily determinable. Changes in fair value are recognized in revenue and expenses in the period in which they arise. Accounts receivable and accounts payable and accrued liabilities are classified as loans and receivables or other liabilities and are recorded at amortized cost. Accounts receivable, accounts payable and accrued liabilities are recorded at their fair value which is approximated by their initial carrying value, due to their short term nature.

#### *Interest Rate Risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Society is not exposed to significant interest rate risk relating to its financial assets and liabilities.

### *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.

# BC GAMES SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### *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. The Society, through B.C. Investment Management Corporation, enters into transactions to purchase debt securities for which the market price fluctuates. Other price risk is managed by holding the investments to maturity.

### 3. PROPERTY AND EQUIPMENT

	2009 \$	2008 \$
Registration software	298,066	287,807
Application software	10,335	8,989
Computers	16,959	10,375
Bedding, flags and signs for Host Societies	112,726	111,177
Furniture and equipment	32,552	32,552
Cabling	8,436	8,436
Leaseholds	17,172	17,172
Trademarks	763	763
	<hr/>	<hr/>
At cost	497,009	477,271
Less: Accumulated amortization	369,278	338,075
	<hr/>	<hr/>
Net book value	127,731	139,196
	<hr/>	<hr/>
Additions during the year		
Computers	6,584	10,375
Bedding and flags	1,648	14,690
Registration software enhancements	10,260	15,167
Application software	1,346	2,942
Furniture and equipment	-	32,552
	<hr/>	<hr/>
	19,838	75,726

### 4. SURPLUS FROM HOST SOCIETIES

Surplus from the host societies is comprised of:

	2009 \$	2008 \$
Kamloops 2006 Summer Games Society	-	80,512
Kimberley/Cranbrook 2008 Winter Games Society	98,071	-
	<hr/>	<hr/>
	98,071	80,512

# BC GAMES SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

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### 5. COMMITMENTS

The Society has commitments arising from contractual agreements for office equipment, television advertising, employment services, and a lease for office premises. The Society is also committed to provide funding to host societies for staging of events scheduled during the years.

Minimum annual commitments in each of the next five fiscal years are as follows:

#### General Commitments

	<u>Total</u> <u>\$</u>
2010	225,200
2011	204,200
2012	174,300
2013	169,900
2014	<u>166,400</u>
	940,000

#### Host Society Commitments

	<u>\$</u>	
2010	434,000	
2011	909,000	
2012	474,000	
2013	659,000	
2014	<u>269,000</u>	<u>2,745,000</u>
		<u>3,685,000</u>

### 6. RELATED PARTY TRANSACTIONS

The Society is economically dependent on the receipt of funding from the Province of British Columbia. Early in each fiscal year the annual funding from the Province is paid to the Society to cover the operating cost for that year. The use of the funds is governed by the Agreement for Financial Assistance signed by both parties.

Details are as follows:

	<b>2009</b> <b>\$</b>	<b>2008</b> <b>\$</b>
Grant received- Operations	2,002,000	2,002,000
Interest earned	39,992	88,309
Balance held by B.C. Investment Management Corporation at year end	793,921	777,209

## BC GAMES SOCIETY

### NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2009

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#### 7. FUNDING PARTNERS

During the year, the Society received \$40,000 from Telus as a sponsor of the BC Summer and Winter Games and an additional \$39,139 from the BC Lottery Corporation.

#### 8. DEFERRED FUNDING

	2009	2008
	\$	\$
a) Funds for B.C. Olympic and Paralympics Youth Leadership Program:		
Opening balance	8,910	17,744
Received from Legacies Now	-	1,000
Contributions from non-government sources	<u>1,750</u>	<u>8,900</u>
	10,660	27,644
Expenses		
Kimberley- Cranbrook 2008 Winter Games Society	-	17,400
Other	<u>1,106</u>	<u>1,334</u>
Balance, end of year	<u><u>9,554</u></u>	<u><u>8,910</u></u>
b)		
bursaries and to Kid Sport Fund:		Funding from Telus for
Opening balance	5,172	4,000
Funds received	-	2,000
Bursary paid	<u>(5,172)</u>	<u>(828)</u>
Balance, end of year	<u><u>-</u></u>	<u><u>5,172</u></u>
Total Deferred Funding	<u><u>9,554</u></u>	<u><u>14,082</u></u>

#### 9. SUBSEQUENT EVENTS

Shortly after the year end, the Society signed the 2009/10 Transfer Under Agreement with the Province of British Columbia in the amount of \$1,978,000 (2008/09: \$2,002,000).



Honourable Mary Polak, Minister

BC Games Society  
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