

BC Games Society



2018/19

ANNUAL SERVICE PLAN REPORT

July 2019



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www.bcgames.org

Board Chair's Accountability Statement

The BC Games Society *2018/19 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2018/19 - 2020/21 Service Plan* created in February 2018. I am accountable for those results as reported.



Jamey Paterson
Board Chair

Table of Contents

Board Chair’s Accountability Statement.....	3
Chair/CEO Report Letter.....	5
Purpose of the Annual Service Plan Report	6
Purpose of the Organization	6
Strategic Direction.....	7
Operating Environment	7
Report on Performance.....	8
Goals, Objectives, Measures and Targets	8
Financial Report	15
Discussion of Results	15
Resource Summary	16
Appendix A – Additional Information	35
Corporate Governance and Organizational Overview	35

Chair/CEO Report Letter

On behalf of the BC Games Society's Board of Directors and staff, we are pleased to present our 2018/19 Annual Service Plan Report which reflects the Society's performance over the past 12 months prior to March 31, 2019.

The 2018 BC Summer Games, held in Cowichan Valley in July 2018, featured 18 sports and brought together 2,387 athletes and 762 coaches and officials with 2,155 volunteers making it all happen. These Games showcased the rich First Nations culture of the region with a strong cultural component threaded throughout the Games and through our partnership with the Indigenous Sport, Physical Activity and Recreation Council (ISPARC), the games provided additional opportunities for Indigenous athletes to participate. Jennifer Woike, President and Mona Kaiser, Vice-President led a strong host society board that raised more than \$500,000 in cash and in-kind from local businesses in support of the Games.

Through leadership from BC Games Society staff, Team BC athletes, coaches, and Mission Staff were well prepared for the 2019 Canada Winter Games in Red Deer, Alberta where BC Games alumni comprised 55 per cent of the provincial team. Team BC's stellar performance further illustrated the importance of BC Games as a milestone on our athletes' performance pathway.

We continue to build strong partnerships with organizations such as viaSport, Sport BC, ISPARC, BC School Sports, Canadian Sport Institute Pacific, ProMOTION Plus, BC Sports Hall of Fame, and Pacific Sport Regional Centres around the province. These partnerships allow us to work collectively to build a strong sport sector in British Columbia.

The BC Games Society has established regular meetings with senior government officials ensuring we met the expectations as set out in our [2018/19 Mandate Letter](#) from our Minister.

The Society continues to achieve at a high level, consistently exceeding the key performance expectations as set out in our Service Plan.

Sincerely,



Jamey Paterson
Chair



Alison Noble
President and CEO

Purpose of the Annual Service Plan Report

The Annual Service Plan Report (ASPR) 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's¹ 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 B.C.'s 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.

¹ Team BC is the provincial team that competes at Canada Summer Games and Canada Winter Games held every four years.

Strategic Direction

The strategic direction set by Government in 2017 and expanded upon in the Board Chair’s [Mandate Letter](#) from the Minister of Tourism, Arts and Culture in 2018 shaped the [2018/19 Service Plan](#) and the results reported in this ASPR.

The following table highlights the key goals, objectives or strategies that support the key priorities of Government identified in the 2018/19 BC Games Society Service Plan:

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

Operating Environment

Operating cost pressures continue to impact the Society budget – this is particularly challenging when hosting the Games in the northern part of the province as this means dramatically higher costs for transportation of participants as well as increased cost for staff travel.

Over time, access to school facilities and equipment, including custodial staff, busses and qualified drivers, has become more expensive creating ongoing financial pressure for the Games Society and/or host society. In addition, cost pressure faced by the Society can vary significantly because of differing expenses related to the locations for Games events. For example, Games hosted in northern British Columbia generate higher transportation costs for participants and staff. With planning underway for the Fort St John 2020 BC Winter Games, the Society and host society prepared budgets and operations to help mitigate these variables.

Report on Performance

B.C.'s sport sector contributes \$1.23 billion² to the provincial economy on an annual basis, making sport a substantial economic driver in this province. Through providing opportunities for communities to host major events – and by providing event management expertise that helps build community capacity to attract and deliver these events – BC Games are an important part of this sport tourism contribution.

In addition to providing affordable opportunities for athletes from across the province to compete at BC Games, the Society's legacy programs help reduce barriers to sport participation and achievement. For example, the Society's *Powering Potential Fund*³ helps address the challenges young athletes may face in pursuing their high-performance goals such as financial costs of, and access to facilities or specialized equipment. The fund provides bursaries and awards to deserving female and male athletes and coaches. With its partners at Coast Capital Savings, the Society awarded \$500 bursaries to 16 (eight male and eight female) recipients. The fund also provided an additional \$40,000 to sport organizations in Cowichan for equipment. While these equipment investments benefitted the Games, they will remain available in the community to help further grow sport and tourism in the region.

The fund also provided a \$2,500 *W.R. Bennett Award for Athletic Excellence* grant and two \$2,500 awards to athletes participating at the 2019 Canada Winter Games in Red Deer, Alberta to recognize their sport, community and scholastic achievements.

In 2018/19, the Society continued its work to ensure the Games are a safe space with acceptance for all and zero tolerance for harassment and abuse by reviewing BC Games Society and host society codes of conduct, processes and procedures. As well, for the first time, Team BC Mission Staff received cultural training to ensure an inclusive environment for Indigenous athletes and volunteers at the 2019 Canada Winter Games.

The [Culture of the Games](#) page on the BC Games Society website continues to serve both the Society and the Host Society and will be a site of ongoing updates as new resources become available to ensure safety, diversity and inclusivity in sport. The Society believes that everyone associated with the Games has the right to participate in an environment that is supportive, positive, respectful and accessible. It is this environment that provides positive and exceptional experiences for everyone involved in the Games.

Goals, Objectives, Measures and Targets

The goals, objectives and performance measures outlined in the BC Games Society [2018/19 – 2020/21 Service Plan](#) reflects the core business of the Society. Intrinsic to the Society's core business is a commitment to further both the sport system and government's goals and objectives, particularly

² Provincial and Territorial Culture Indicators, Stats Canada, Culture Satellite Account, 2016 CANSIM 387-0012 (available at <http://www.statcan.gc.ca/daily-quotidien/180227/dq180227a-eng.htm>)

³ The BC Games Society created the Powering Potential Fund in April 2017 as a vehicle to strategically invest in legacy projects that will further the development of individual athletes, teams, sport organizations and communities. Funding goes towards bursaries/awards, capital and community projects.

with respect to economic and community development, affordability, inclusiveness and true and lasting reconciliation with Indigenous peoples.

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

In partnership with host societies, the Society wound down the Kamloops 2018 BC Winter Games operations, delivered the Cowichan 2018 BC Summer Games, and began planning for the 2020 BC Winter Games in Fort St. John, B.C. The Society also oversaw operational planning to support Team BC’s participation in the 2019 Canada Winter Games in Red Deer, Alberta.

Objective 1.1: Build community capacity to host major events

Key Highlights:

- Prepared and provided detailed written and online materials to support volunteers in delivering high quality events. The effectiveness and use of the materials were strengthened by staff guidance and mentorship throughout the planning phase.
- The Team BC program also provided mentorship opportunities for Indigenous leaders, thereby helping to build capacity in Indigenous communities to host events.

Performance Measures	2016/17 Actuals 2016 BCSG	2017/18 Actuals 2018 BCWG	2018/19 Target 2018 BCSG	2018/19 Actuals 2018 BCSG	2019/20 Target 2020 BCWG	2020/21 Target 2020 BCSG
1.1a Volunteer satisfaction with online resource materials ¹	86%	80%	85%	93%	85%	85%
1.1b # of Volunteers ²	2,646	1,951	3,100	2,155	2,100	2,650

Data Source:

¹Volunteers surveyed using online Survey Monkey tool following each 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.

Discussion

The 93 percent satisfaction rate of volunteers surveyed after the 2018 BC Summer Games achieved the target and indicated that volunteers value the Society’s on-line tasks, samples and protocols to effectively manage their Games.

With only 2,155 volunteers to support the planning and staging of the Cowichan 2018 BC Summer Games, the 3,100 target was not met. The Cowichan Valley is one of the smallest communities to host the BC Summer Games and a large volunteer workforce was not available. To address this shortfall, the host community consolidated tasks and maximized shifts so that the Games could be delivered in a highly effective manner by a smaller number of volunteers. As volunteer demand continues to be a concern across all volunteer-based sectors – this may require similar adjustments to BC Games

volunteer responsibilities in future years. Future targets were adjusted in the 2019/20 Service Plan to reflect this trend.

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

Key Highlights:

- The Cowichan 2018 BC Summer Games clearly demonstrated how BC Games can be important vehicles for athlete, coach and official development. Examples included:
 - In the growing sport of female rugby, all eight zones sent teams for the second consecutive year;
 - In softball, 42 percent of the coaches were female – increasing from 21 percent at the 2016 games;
 - One female athlete competed at the 2016 BC Summer Games, went on to compete at the 2017 Canada Summer Games and then returned as a coach to the 2018 BC Summer Games;
 - Three golfers placed Top 10 at the Canadian Junior Boys National Championships one week following their participation at the 2018 BC Summer Games;
 - Canoe/kayak, rowing and equestrian offered coach mentorship, education and hands on experience and sport psychology lectures, respectively during the games; and
 - Volleyball offered a provincial development referee course at the games so referees from across the province could be certified and soccer used the games to develop younger officials.
- The BC Games Society and ISPARC continued their long-standing partnership through agreements to increase Indigenous athlete participation in canoe/kayak, lacrosse and basketball and resulted in the number of Indigenous athletes at BC Games increasing from three percent to five percent.
- The Society, through its partnership with provincial sport organizations, continued to find avenues to integrate athletes with a disability into the Games. At the Cowichan games, a total of 41 athletes with a disability participated in para-equestrian, para-swimming and Special Olympic swimming and athletics.
- BC Games alumni comprised 55 per cent of Team BC competing at the 2019 Canada Winter Games. Team BC came home with 87 medals including a historic 30 gold medals.

Performance Measures	2016/17 Actuals	2017/18 Actuals	2018/19 Target	2018/19 Actuals	2019/20 Target	2020/21 Target
1.2a Head coaches are National Coaching Certification Program Competition Development certified ¹	94%	96%	85%	98%	85%	85%
1.2b Percent of BC Games alumni on Team BC (Canada Games) ²	No Canada Games	57%	50%	55%	No Canada Games	No Canada Games

Data Source:

¹ Information provided by provincial organizations and Coaching Association of Canada.

² Comparison of Team BC registered participants to BC Games past participant data.

Discussion

Using the National Coaching Certification Program (NCCP) Competition Development⁴ level as the standard for BC Games is consistent with the Canadian Sport for Life long-term athlete development model which matches athlete and coach development to stages of growth from one level of competition to another. This measure not only contributes to raising the standard of the competitive experience for athletes participating at BC Games, but also provides various communities across B.C. with a legacy of competent, trained coaches.

The Games' certification rate is the same each year since there is a different cohort of coaches selected by provincial sport organizations each Games. Over the years, the Society has determined that 85 percent is a reasonable target to expect, while still keeping high coaching standards at the BC Games. In 2018/19, the target was exceeded with a 98 percent coach certification rate, indicating that provincial sport organizations have been doing their due diligence in ensuring that their coaches have opportunities to develop. With the BC Games being an important milestone for these coaches in terms of their professional development, they bring this experience back to their communities and to their own personal growth in their sport.

BC Games alumni comprised 55 percent of the athletes, coaches and mission staff on Team BC at the 2019 Canada Winter Games, surpassing the 50 percent target. This shows that sports participating in both the BC and Canada Games are providing a strong and integrated pathway for their athletes as they develop to higher levels of competition such as the Olympic and Paralympic Games. Often the first multi-event games experience for athletes and coaches, the BC Games are an important milestone and pathway to higher levels of competition. The percentage of BC Games alumni on Team BC indicates this progression. The Canada Summer Games and Canada Winter Games are on a four-year alternating cycle – this means there are no games scheduled until 2021 and 2023 respectively.

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

Objective 2.1: Ensure financial and sport legacies for host communities

Key Highlights:

- Provided guidelines and event management expertise to help ensure financial legacies for BC Summer and BC Winter Games.
- Leveraged the [*Powering Potential Fund*](#) and host communities' Legacy Funds to support equipment, capital projects, individual athletes, teams and sport organizations, thereby helping to make sport more affordable.

⁴ Formerly referred to as NCCP Level 2 certified.

		2016/17 Actuals 2016 BCSG	2017/18 Actuals 2018 BCWG¹	2018/19 Target 2018 BCSG	2018/19 Actuals 2018 BCSG²	2019/20 Target 2020 BCWG	2020/21 Target 2020 BCSG
Performance Measures							
2.1a	\$ from Games' operating budget invested to deliver sport competitions	\$112,897	\$103,479	\$80,000	\$71,570	\$60,000	\$80,000
2.1b	\$ financial legacy (surplus from operating budget that is invested in post-Games sport development and infrastructure)	\$152,561	\$63,941	\$75,000	\$125,573	\$65,000	\$75,000

Data Source: Host Society Games operating budgets and Audited Financial Statements. Host Society Audited Financial Statements are typically completed in the fiscal year following the Games.

¹ 2017/18 Actuals have been restated to reflect final host society audited financial statements.

² The 2018 BC Summer Games figures provided for fiscal 2018/19 are from the host society's audited financial statements completed in June 2019.

Discussion

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

The host society increases their funding beyond what is received via the provincial government's grant⁵ by fund-raising locally (called *Local Friends of the Games* support). The host society is responsible for determining how revenues are directed. Some communities choose to invest directly in equipment and expenditures to deliver the Games. Others may direct a greater portion of revenue towards a financial legacy which can be invested in post-Games sport programs and infrastructure.

The 2018/19 target for dollars invested to deliver the sport competitions was not achieved. This is because these targets are set as a standard for host societies but communities may decide to defer these investments to post-Games legacies. This was the case for Cowichan. Through operational efficiencies and significant cash and value-in-kind support from local business, the 2018 BC Summer Games exceeded anticipated financial legacies while still securing a high-quality Games' experience for participants.

⁵ BC Winter Games' host communities receive a \$550,000 grant; BC Summer Games' host communities receive a \$625,000 grant.

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

Investments from corporate partners, local governments and local businesses leverage the province’s investment in the Games. This additional support provides enhanced BC Games experiences for participants, helps raise the profile of BC Games and host communities and secures additional legacies and other benefits such as sport, tourism and economic development.

Key Highlights:

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

Performance Measures	2016/17 Actuals 2016 BCSG	2017/18 Actuals 2018 BCWG	2018/19 Target 2018 BCSG	2018/19 Actuals 2018 BCSG	2019/20 Target 2020 BCWG	2020/21 Target 2020 BCSG
2.2a Jazz Aviation (% cash discount on charter air fare) ¹	\$4,781	\$2,986	5% discount	5% discount (\$9,199)	n/a	n/a
2.2b Global BC (ad value-in-kind)	\$64,000	\$85,820	\$60,000	\$85,820	\$60,000	\$60,000
2.2c Black Press (ad value-in-kind)	\$167,456	\$152,818	\$150,000	\$146,136	\$150,000	\$150,000
2.2d Coast Capital (cash contribution)	\$60,000	\$60,000	\$60,000	\$60,000	\$20,000	\$60,000
2.2e Cash and value in- kind (VIK) generated by host societies ²	\$122,075 cash \$590,000 VIK	\$107,592 cash \$200,135 VIK	\$60,000 cash \$500,000 VIK	\$126,150 cash \$600,000 VIK	\$40,000 cash \$300,000 VIK	\$60,000 cash \$500,000 VIK

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

¹Jazz Aviation contract not renewed following 2018 BC Summer Games so no further targets set.

² Host Society audited statements.

Discussion

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

Jazz Aviation continued with the agreement for a five percent discount in charter air fare, however, the Society’s partnership with Jazz Aviation ended in December 2018 as the company can no longer

provide for the charter aircraft needs of the BC Games. This measure will no longer be included in service plans.

Global BC targets are set as minimum standards as available ad space can change based on Global BC's overall advertising schedule. The 2018/19 target was exceeded as more space became available to promote BC Games.

The Black Press target of \$150,000 of value-in-kind was not met. This target is set based on estimated value of media and/or advertising space – the variance in 2018/19 is not significantly off of this estimation.

The Coast Capital target was met in 2018/19. The 2019/20 target is set differently as Coast Capital does not have branches in the 2020 BC Winter Games' host community (Fort St. John). Coast Capital, however, will contribute to the Powering Potential Fund in 2019/20.

Cowichan secured extensive local business support surpassing the cash and value-in-kind targets and providing significant added value to the Games participants and offsetting key budget items such as food supplies. The BC Games Society works with host societies to develop and implement fund-raising plans for local "Friends of the Games," businesses, local government and other partners that provide cash or in-kind services. This measure is determined by host societies and differs from one host to another depending on legacy plans, resources available and/or host societies' operational plans (e.g. one community may wish to focus on competition needs, while another may wish to focus on ceremonies). Value-in-kind (VIK) services are those that a community doesn't need to fund through its operational budget. VIK targets are set based on typical needs in previous host communities.

Financial Report

Discussion of Results

Highlights

The Society once again met its financial objectives through thorough budget preparation and methodical monitoring, while continuing to access revenue through multi-year corporate partner support and sound host community budget policy. The host society's fiscal oversight and local sponsor recruitment also returned \$53,401 to the Society⁶.

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

At March 31, 2019, the Society realized a budget surplus of \$18,000.

⁶ BC Games Society policy requires 50 percent of host society operating surplus to be returned to the Society as legacy funds. This surplus is recovered in the following fiscal year once host society's financial statements are audited.

Resource Summary¹

\$ millions	2017/18 Actual	2018/19 Budget	2018/19 Actual	2018/19 Variance
Operating Revenue				
Province of BC Grant	2,013	2,013	2,188	175
Team BC Grant	301	484	292	(192)
Corporate Partner Income	60	60	60	-
Other Income & Recoveries	588	501	546	45
Total Revenue	2,962	3,058	3,086	28
Operating Expenses				
Grants	669	552	442	(110)
Games Operations ²	511	663	944	281
Team BC Operating Costs	426	484	466	(18)
Salaries and Benefits	809	883	769	(114)
Board Expenses	17	11	16	5
Administration	335	276	289	13
Lease Costs	158	189	142	(47)
Total Expenses	2,925	3,058	3,068	10
Net Income / Excess of Revenue over Expenses / Annual Surplus (Deficit)	37	0	18	18
Capital Expenditures	26	18	43	25
Total Liabilities (even if zero)	448	0	98	98
Accumulated Surplus/ Retained Earnings (even if zero)	1,139	1,139	1,157	18

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

Note 2: The Province of BC Grant amount includes a one-time grant of \$175,000 for Team BC operations in 2018/19. This presentation differs from the Society's audited financial statements where the grant is included under the "viaSport contribution to Team BC" line. The difference is due to the audited financial statements not reflecting a one-time change in the flow of the funds. In previous fiscals the grant was part of the Ministry's annual transfer to viaSport in support of Team BC operations.

Variance and Trend Analysis

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

Risks and Uncertainties

Risks and Uncertainties	Plans for Mitigation
<p>Third parties who have historically contributed through value-in-kind and/or cost reduction are now charging for these services (e.g. school facilities, warehouse space, local transportation).</p>	<p>The Society worked closely with each host society to guide their budget and local fundraising. Staff worked with key volunteers to provide guidance, tools and expertise in terms of fundraising.</p>
<p>The BC Games Society relies on third-party (provincial sport organizations) selection and training of athletes, coaches and officials. There is a small risk that these activities are not aligned or consistent with what is required for effective delivery of BC Games (as outlined in BC Games policies and procedures).</p>	<p>Through ongoing, consistent dialogue and written agreements with each of the provincial sport organizations (PSOs), the Society worked to ensure the policies and practices associated with BC Games participation are carried out by the sport, by BC Games staff and volunteers.</p>
<p>The Canadian Sport for Life’s long-term athlete development (LTAD) continuum sets out BC Games and Team BC competitions as important milestones for athletes. If PSOs do not value the BC Games as opportunities for their athletes, coaches and officials to develop and participate, then the ability to achieve these milestones is impacted.</p>	<p>The Society worked with PSOs to ensure they maximize opportunities for athletes, coaches and officials as they relate to BC Games and Team BC readiness and competitions.</p>
<p>In all instances of the BC Games Society’s involvement, there is an underlying assumption that municipalities wish to host the games. This faith may be challenged during times of economic downturn, competing demand on resources (e.g. volunteers or other hosting efforts) and/or other priorities.</p>	<p>The Society continued to market the positive economic and social opportunities associated with hosting. Host cities are established through to February and July 2022.</p>
<p>Performance measures and targets are impacted by the varying levels of skills and experience volunteers bring to the Games.</p>	<p>Constant revision of the Society’s transfer of knowledge program and related policies provided volunteers with skills and experience; as well, event managers were available to provide additional guidance in areas that need special attention.</p>

Financial Statements of

BC GAMES SOCIETY

Year ended March 31, 2019

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 Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

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

On behalf of BC Games Society



Alison Noble
President and Chief Executive Officer



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of BC Games Society (the "Society"), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year ended March 31, 2019 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, 2019 and the results of its operations and changes in net financial assets and cash flows for the year ended March 31, 2019 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 consistent basis.

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.

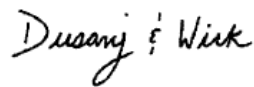
Auditor's Responsibilities for the Audit of the Financial Statements

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.



Victoria, B.C.
May 15, 2019

Chartered Professional Accountants

BC GAMES SOCIETY

Statement of Financial Position

March 31, 2019, with comparative figures as at March 31, 2018

		2019	2018
Financial assets			
Cash and cash equivalents		\$ (76,497)	\$ 207,647
Short term investments	(Note 3)	1,100,000	1,006,601
Accounts receivable		88,590	219,738
Due from government organizations	(Note 4)	9,872	13,252
		<u>1,121,965</u>	<u>1,447,238</u>
Liabilities			
Accounts payable and accrued liabilities	(Note 5)	97,977	448,022
		<u>97,977</u>	<u>448,022</u>
Net financial assets		1,023,988	999,216
Non-financial assets			
Tangible capital assets	(Note 6)	126,006	119,306
Inventories held for use		1,360	4,240
Prepaid expenses		5,669	16,135
		<u>133,035</u>	<u>139,681</u>
Accumulated surplus	(Note 7)	<u>\$ 1,157,023</u>	<u>\$ 1,138,897</u>
Contractual obligations	(Note 11)		
See accompanying notes to financial statements.			

APPROVED BY THE BOARD





BC GAMES SOCIETY

Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative figures for 2018

	Budget (Note 2(k))	2019	2018
Revenue:			
Province of British Columbia grants	\$ 2,012,500	\$ 2,012,500	\$ 2,012,500
viaSport contribution for Team BC	484,300	465,795	301,013
Athlete registration	391,000	391,016	199,492
Surplus recoveries (Note 9)	40,000	53,401	137,340
Provincial Sport Organization funding for Team BC	-	-	125,000
Funding partners	60,000	60,000	60,000
BC Senior Games Service Agreement	-	-	46,500
Powering Potential Fund grants (Note 10)	55,000	73,069	44,685
Interest earned	15,000	26,098	24,665
Other revenue	-	3,766	11,163
Contractual revenues	-	-	-
	<u>3,057,800</u>	<u>3,085,645</u>	<u>2,962,358</u>
Expenses:			
General operating costs (Note 10)	1,843,800	1,682,006	1,745,775
Games operating costs	662,500	944,013	510,700
Operating grants	551,500	441,500	668,500
	<u>3,057,800</u>	<u>3,067,519</u>	<u>2,924,975</u>
Annual surplus	-	18,126	37,383
Accumulated surplus, beginning of year	1,138,897	1,138,897	1,101,514
Accumulated surplus, end of year	<u>\$ 1,138,897</u>	<u>\$ 1,157,023</u>	<u>\$ 1,138,897</u>

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Changes in Net Financial Assets

Year ended March 31, 2019, with comparative figures for 2018

	Budget (Note 2(k))	2019	2018
Annual surplus	\$ -	\$ 18,126	\$ 37,383
Acquisition of tangible capital assets	(18,000)	(42,772)	(25,581)
Amortization of tangible capital assets	40,000	36,072	36,354
	22,000	(6,700)	10,773
Acquisition of inventories held for use	-	-	(4,686)
Acquisition of prepaid expenses	-	(12,081)	(17,360)
Consumption of inventories held for use	-	2,880	1,969
Use of prepaid expenses	-	22,547	7,605
	-	13,346	(12,472)
Increase in net financial assets	22,000	24,772	35,684
Net financial assets, beginning of year	999,216	999,216	963,532
Net financial assets, end of year	\$ 1,021,216	\$ 1,023,988	\$ 999,216

See accompanying notes to financial statements.

BC GAMES SOCIETY

Statement of Cash Flows

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 18,126	\$ 37,383
Items not involving cash:		
Amortization of tangible capital assets	36,072	36,354
Change in non-cash operating working capital:		
Decrease (increase) in short term investments	(93,399)	3,333
Decrease (increase) in accounts receivable	131,148	(219,473)
Decrease (increase) in due from government organizations	3,380	(10,051)
Decrease (increase) in inventories held for use	2,880	(2,718)
Decrease (increase) in prepaid expenses	10,466	(9,754)
Increase (decrease) in accounts payable and accrued liabilities	(350,045)	247,971
Net change in cash from operating activities	(241,372)	83,045
Capital activities:		
Cash used to acquire tangible capital assets	(42,772)	(25,581)
Net change in cash from capital activities	(42,772)	(25,581)
Net change in cash and cash equivalents	(284,144)	57,464
Cash and cash equivalents, beginning of year	207,647	150,183
Cash and cash equivalents, end of year	\$ (76,497)	\$ 207,647

See accompanying notes to financial statements.

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 65% 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.

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.

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 stipulation 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.

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 2019 was initially approved by the Board of Directors in January 2016 as part of a three-year budget plan and again in January 2018 when the budget was revised. This revised budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Financial Assets.

3. Short term investments

Short term investments consist of a six-month Guaranteed Investment Certificate (GIC) of \$400,000, which earns interest at 2.30% and has a maturity date of May 21, 2019, and a one-year GIC of \$700,000, which earns interest at 2.00% and has a maturity date of November 1, 2019. The GICs are 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

	2019	2018
Trade accounts payable	\$ 1,874	\$ 24,811
Salaries and benefits payable	8,751	12,563
Accrued vacation pay	16,530	19,266
Accrued operating grant	30,000	300,000
Accrued contribution (note 10)	-	56,071
Other accrued liabilities	40,822	35,311
	<u>\$ 97,977</u>	<u>\$ 448,022</u>

6. Tangible capital assets

BC Games Society

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

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

	Registration software	Computers	Bedding, torch, flags and signs for host societies	Furniture and equipment	Leasehold improvements	2018 Total
Cost						
Opening balance	\$399,711	\$68,187	\$229,985	\$59,527	\$21,444	\$778,854
Additions	15,763	5,171	-	4,647	-	25,581
Disposals	-	(4,119)	-	-	-	(4,119)
Closing balance	415,474	69,239	229,985	64,174	21,444	800,316
Accumulated amortization						
Opening balance	366,248	57,457	161,242	42,384	21,444	648,775
Amortization	14,324	6,181	11,291	4,558	-	36,354
Disposals	-	(4,119)	-	-	-	(4,119)
Closing balance	380,572	59,519	172,533	46,942	21,444	681,010
Net book value	\$34,902	\$9,720	\$57,452	\$17,232	\$ -	\$119,306

Bedding, torch, flags and signs for host societies includes \$9,028 (cost of \$12,745, net of accumulated amortization of \$3,717) of flags and signs for Team BC.

7. Accumulated surplus

	2019	2018
Investment in tangible capital assets	\$ 126,006	\$ 119,306
Operating surplus	231,017	219,591
Internally restricted surplus	800,000	800,000
	<u>\$ 1,157,023</u>	<u>\$ 1,138,897</u>

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

8. 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.

(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.

8. Financial risk management (continued)

(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.

9. Surplus from host societies

Surplus from the host societies is comprised of:

	2019	2018
Kamloops 2018 Winter Games Society	\$ 53,401	\$ -
Abbotsford 2016 Summer Games Society	-	137,340
	<u>\$ 53,401</u>	<u>\$ 137,340</u>

10. Expenses by object

The following is a summary of expenses by object:

	2019	2018
Advertising and promotions	\$ 41,124	\$ 43,330
Amortization	36,072	36,354
Bad debts (recovery)	-	(4,556)
Computer maintenance	9,398	5,234
Contributions	578	66,771
Games operating costs	944,013	510,700
Insurance, leases and utilities	142,424	157,613
Office and business expenses	83,580	78,531
Operating grants	441,500	668,500
Professional services	39,703	39,102
Salaries and employee benefits	769,105	809,442
Team BC operating costs	465,795	426,013
Travel and accommodation	94,227	87,941
	<u>\$ 3,067,519</u>	<u>\$ 2,924,975</u>

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

11. 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 \$37,849 in 2019 (2018 - \$32,837) 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:

	2020	2021	2022	2023	2024
General commitments	\$ 251,620	\$ 232,214	\$ 147,905	\$ 120,825	\$ -
Host society commitments	285,000	-	-	-	-
Anticipated host society commitments	200,000	450,000	475,000	450,000	475,000
	<u>\$ 736,620</u>	<u>\$ 682,214</u>	<u>\$ 622,905</u>	<u>\$ 570,825</u>	<u>\$ 475,000</u>

12. Remuneration of employees

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

During the year, there were six employees who met this criterion and the total amount of remuneration paid to these persons was \$516,309. (During the prior year, there were seven employees who met this criterion and the total amount of remuneration paid to these persons was \$636,551.) The Board of Directors receives no remuneration for their services other than reimbursement of expenses.

Appendix A – Additional Information

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 drop down box here:

<https://www.bcgames.org/AboutUs.aspx>