

2010 Games Operating Trust Society

Financial statements
December 31, 2018



Independent auditor's report

To the Members of
2010 Games Operating Trust Society

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **2010 Games Operating Trust Society** [the "Society"], which comprise the statement of financial position as at December 31, 2018, and the statement of expenses and recoveries for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 accounting standards for not-for-profit organizations, and for such internal control 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 related 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 judgment and maintain professional skepticism throughout 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.

Report on other legal and regulatory requirements

As required by the British Columbia *Societies Act*, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Vancouver, Canada
June 18, 2019

Ernst & Young LLP

Chartered Professional Accountants



2010 Games Operating Trust Society

Statement of financial position

As at December 31

	2018 \$	2017 \$
Assets		
Due from 2010 Games Operating Trust <i>[note 3]</i>	77,424	5,607
Total assets	77,424	5,607
Liabilities		
Accounts payable and accrued liabilities	77,424	5,607
Total liabilities	77,424	5,607

See accompanying notes

On behalf of the Board:

Director


Director


2010 Games Operating Trust Society

Statement of expenses and recoveries

Year ended December 31

	2018	2017
	\$	\$
Expenses		
Professional and administrative fees	480,243	428,765
Total expenses	480,243	428,765
Recoveries		
Recoveries from 2010 Games Operating Trust <i>[note 3]</i>	480,243	428,765
Total recoveries	480,243	428,765
Excess of expenses over recoveries for the year	—	—

See accompanying notes

2010 Games Operating Trust Society

Notes to financial statements

December 31, 2018

1. Purpose of organization

The 2010 Games Operating Trust Society [the "Society" or "Trustee"] was established to act as the Trustee of the 2010 Games Operating Trust [the "Trust"]. The purpose of the Trust is to promote high performance amateur sport in Canada.

The Society was incorporated pursuant to the *Society Act* of British Columbia on March 25, 2004. The Society transitioned to the new *Societies Act* of British Columbia effective January 1, 2017.

The Society is governed by a Board of Directors consisting of eight members, six of whom are appointed from each of Canada, British Columbia, the Canadian Olympic Committee, the Canadian Paralympic Committee, the City of Richmond and the Resort Municipality of Whistler and two additional members appointed by the Board of Directors of the Society.

The Society is not entitled to remuneration for its responsibilities as Trustee but is entitled to reimbursement for its reasonable expenses properly incurred in relation to its administration of the Trust.

2. Summary of significant accounting policies

These financial statements are reported in Canadian dollars and were prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, "Accounting Standards for Not-for-Profit Organizations", which sets out generally accepted accounting principles for not-for-profit organizations in Canada.

The following is a summary of significant accounting policies used in the preparation of these financial statements:

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the Society's management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Society's management believes that the estimates utilized in preparing its financial statements are reasonable; however, actual results could differ from those estimates.

3. Related party transactions

Pursuant to the Trust Agreement, the Society is entitled to be reimbursed for its reasonable expenses in relation to its administration of the affairs of the Trust. During the year ended December 31, 2018, the Society incurred \$480,243 [2017 – \$428,765] in expenses for which it is entitled to reimbursement from the Trust. This amount is reported as recoveries from the Trust for the year ended December 31, 2018. As at December 31, 2018, the amount receivable from the Trust is \$77,424 [2017 – \$5,607].

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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Notes to financial statements

December 31, 2018

4. Statement of cash flows

A separate statement of cash flows has not been presented, since, in the opinion of the Society's management, the information it would contain is readily apparent from the other financial statements.