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Canada Revenue
AgencyAgence du revenu
du CanadaREGISTERED CANADIAN AMATEUR
ATHLETIC ASSOCIATION INFORMATION

RETURN

000026



OTTAWA ON K1A 0L5

NCR MAILROOM

112

SALLE DU COURRIER

RCN

CANADA GAMES COUNCIL/CONSEIL
DES JEUX DU CANADA
261 - 1200 ST. LAURENT BLVD
OTTAWA ON K1K 3B8

Return for Fiscal Period Ending

20190331
Year Month Day

Is this the first return filed by this association?

Yes ☐No ☒

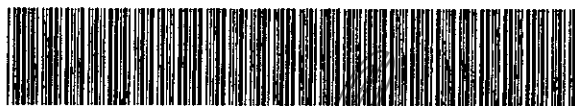
If "No", has the fiscal period changed from the last return filed?

Yes ☐No ☒

Is this the final return to be filed by this association?

Yes ☐No ☒

If "Yes", please attach an explanation.



15 13197 6052 RR 0001 2019-03-31 0496638

If the name or address shown above is incorrect or a more permanent address can be provided, print the necessary corrections below:

Corrected name

Corrected address (Number, Street, Apt. No., P.O. Box or R.R. No.)

City

Province or territory

Postal code

NOTE:

To minimize the possibility of the annual mailing of the personalized Registered Canadian Amateur Athletic Association Information Return going astray, it is important that, where possible, a permanent mailing address be provided (i.e., address of the actual, physical location of the association or permanent P.O. Box number).

Instructions

1. Ensure that the name and address are correct. To correct pre-printed information on this form, please use the area provided. Any changes (except to the contact information above) must be explained in an attachment to this return.

Use the boxes (above right) to indicate the end of the association's fiscal period.

FINANCIAL STATEMENTS for the fiscal period covered by this return. These should include a statement of revenue and expenditures for the fiscal period and a statement of assets and liabilities as of the end of the fiscal period. The statements should indicate the different sources of revenue in sufficient detail to show how funds were spent or invested.

A list of the names, addresses, and occupations or lines of business of the association's current members.

A list of the names and the official positions of the people who are authorized to issue official receipts for the association.

A note that fully explains what replacement procedure is followed in the event of lost or spoiled receipts.

Six months from the end of the fiscal period of the association, mail or deliver a completed return and required documents to:

30119

Charities Directorate
Canada Revenue Agency
Ottawa ON K1A 0L5

Information Required

1. Have any changes not previously reported been made to the association's governing documents? If yes, please attach a certified copy of the changes. Yes ☐ No ☒
2. Have complete books and records been kept (including duplicate copies of receipts) which fully substantiate all financial transactions during the fiscal period? If no, please attach an explanation. Yes ☒ No ☐
3. Please indicate the total amount for which the association issued official donation receipts in this fiscal period. \$ 57,797.89
4. Are the receipt forms used to acknowledge payments that are NOT gifts clearly distinguishable from official donation receipts which bear the BN/Registration number? If no, please attach an explanation. Yes ☒ No ☐
5. Did the association issue official donation receipts showing a date in the previous calendar year for donations that were mailed or otherwise submitted after the end of the calendar year? If yes, please attach an explanation. Yes ☐ No ☒
6. Have official donation receipts been issued to acknowledge donations in a form other than cash or cheque - e.g., goods, services rendered, etc.? If yes, please attach a list of these gifts and their value as shown on the official donation receipt. Yes ☐ No ☒
7. Has any amount donated to the association been returned to the donor during the year? If yes, please attach an explanation. Yes ☐ No ☒
- 8 a. During the fiscal period, did the association accept any gifts with the express or implied condition that such gifts were to be used for the benefit of another person, club, society or association? If yes, please attach an explanation. Yes ☐ No ☒
- b. Did the association issue an official donation receipt to acknowledge such a gift? Yes ☐ No ☒

Certification

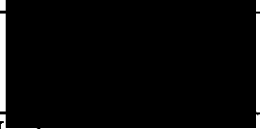
To be signed by two directors of the association

1. I, Evan Johnston of 
Name of director whose signature appears below. (Print)

2. I, Andy Gross of 
Name of director whose signature appears below. (Print)

Address

HEREBY CERTIFY that the information given in this return and in all attachments is, to the best of my knowledge, correct, complete and current. (Note: It is a serious offense under the *Income Tax Act* to provide false or deceptive information.)

1. Signature of director 

Position with the association

ChairHome telephone number Business telephone number Date 2. Signature of director 

Position with the association

TreasurerHome telephone number Business telephone number Date 

CGC BOARD OF DIRECTORS



DIRECTORS			
Evan Johnston (Chair)			
Catriona LeMay Doan (Vice Chair)			
Andy Gross (Treasurer)			
Cheri Bradish			
Lynn Blouin			
Sue Boreskie			
Anthony Everett			
Catherine Gosselin-Després			
Teddy Katz			
Blair McIntosh			
Elaine Roper			
Director #12			



RCAAA ANNUAL INFORMATION RETURN

Tax Receipt Process

#5: Persons authorized to issue official receipts for the Association:

- | | |
|---|-----------------------|
| 1) David Patterson
President and CEO | 2) Tom Quinn
Chair |
|---|-----------------------|

#6: Replacement procedure when receipts are lost or spoiled:

- a) The Council cancels its office (duplicate) copy of the original tax receipt

Note: On most occasions, the original tax receipt is returned by the donor who requests the issuance of a replacement.

- b) Replacement tax receipt is issued with a reference indicating the number of the original receipt issued.

Note: As per the 2018-2019 fiscal year, David Patterson and Tom Quinn were the authorised signatories. Both David and Tom have subsequently left the organisation (April 1, 2019) and new signatories are now in place for the 2019-2020 fiscal year. The new signatories are Evan Johnston (Chair) and Daniel Wilcock (President & CEO).

Canada Games Council
Financial Statements
March 31, 2019

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Independent Auditor's Report

To the Members of the Canada Games Council:

Opinion

We have audited the financial statements of the Canada Games Council (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statements of revenues and expenses, changes in net assets and cash flows 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 Organization as at March 31, 2019, 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Ottawa, Ontario

Chartered Professional Accountants

Licensed Public Accountants

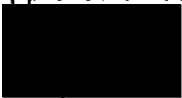
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Canada Games Council
Statement of Financial Position
 March 31, 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
ASSETS		
Current		
Cash	1,523,332	906,174
Accounts receivable (Notes 3 & 8)	1,519,746	53,787
Prepaid expenses	24,505	15,644
Short term deposit	-	346,468
	<u>3,067,583</u>	<u>1,322,073</u>
Non-Current		
Capital assets (Note 4)	19,909	26,958
	<u>3,087,492</u>	<u>1,349,031</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 5 & 8)	2,405,846	534,037
Deferred contributions (Note 6)	-	60,000
	<u>2,405,846</u>	<u>594,037</u>
NET ASSETS		
Invested in capital assets	19,909	26,958
Unrestricted	661,737	728,036
	<u>681,646</u>	<u>754,994</u>
	<u>3,087,492</u>	<u>1,349,031</u>

The accompanying notes are an integral part of the financial statements.

Approved on behalf of the Members



 Director



 Director

Canada Games Council
Statement of Revenues and Expenses
For the year ended March 31, 2019

	2019	2018
	\$	\$
Revenue		
Sport Canada contributions (Note 11)	1,115,820	1,115,820
Hosting	550,000	624,313
Sponsorship		
Value in-kind (Note 8)	267,423	311,806
Cash (Note 8)	177,000	161,167
Grants	136,375	-
Other revenue	61,681	85,242
Canada 150 project	11,625	123,300
Interest	2,380	5,172
	<u>2,322,304</u>	<u>2,426,820</u>
Expenses before Games Revenue and Expenses		
Canada 150 project	-	242,246
Leadership - Dreams and Champions	-	7,549
Leadership - Leadership activities	25,288	7,574
Leadership - Sport Technical	26,971	12,365
Sustainability - Administration	170,545	297,502
Sustainability - Governance operations	87,156	92,553
Sustainability - Human resources	1,085,456	997,162
Sustainability - Revenue generation	77,887	66,724
Transfer of knowledge - Hosts/Chefs/Government/NSO	249,370	108,515
Transfer of knowledge - Multi-Games planning	188,721	175,706
Unique Premium Event Marketing/Communications	484,258	585,155
	<u>2,395,652</u>	<u>2,593,051</u>
Deficiency of revenue over expenses before Games Revenue and Expenses	<u>(73,348)</u>	<u>(166,231)</u>
Games Revenue and Expenses		
Revenue		
Sponsorship		
Value in-kind (Note 8)	1,775,683	1,899,586
Cash (Note 8)	1,153,000	658,333
Travel	3,636,548	3,084,561
	<u>6,565,231</u>	<u>5,642,480</u>
Expenses		
Sponsorship		
Value in-kind (Note 8)	1,775,683	1,899,586
Cash (Note 8)	1,153,000	658,333
Travel	3,636,548	3,066,736
	<u>6,565,231</u>	<u>5,624,655</u>
Excess of games revenue over expenses	<u>-</u>	<u>17,825</u>
Deficiency of revenue over expenses	<u>(73,348)</u>	<u>(148,406)</u>

The accompanying notes are an integral part of the financial statements.

Canada Games Council
Statement of Changes in Net Assets

For the year ended March 31, 2019

	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>2019</u>	<u>2018</u>
	\$	\$	\$	\$
Net assets, beginning of year	26,958	728,036	754,994	903,400
Deficiency of revenue over expenses	(7,049)	(66,299)	(73,348)	(148,406)
Net assets, end of year	<u>19,909</u>	<u>661,737</u>	<u>681,646</u>	<u>754,994</u>

The accompanying notes are an integral part of the financial statements.

Canada Games Council

Statement of Cash Flows

For the year ended March 31, 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	(73,348)	(148,406)
Non-cash adjustments		
Amortization	7,049	8,122
Changes in working capital items		
Accounts receivable	(1,465,959)	325,901
Prepaid expenses	(8,861)	5,022,175
Accounts payable and accrued liabilities	1,871,809	(140,692)
Deferred contributions	(60,000)	(5,274,591)
Cash flows from operating activities	<u>270,690</u>	<u>(207,491)</u>
INVESTING ACTIVITIES		
Redemption of term deposits	346,468	341,449
Purchase of term deposits	-	(346,468)
Purchase of capital assets	-	(34,749)
Cash flows from investing activities	<u>346,468</u>	<u>(39,768)</u>
Increase (decrease) in cash resources	617,158	(247,259)
Cash resources, beginning of year	<u>906,174</u>	<u>1,153,433</u>
Cash resources, end of year	<u><u>1,523,332</u></u>	<u><u>906,174</u></u>

The accompanying notes are an integral part of the financial statements.

Canada Games Council
Notes to Financial Statements
For the year ended March 31, 2019

1 - INCORPORATION AND NATURE OF OPERATIONS

Canada Games Council (the "Organization" or "CGC") is incorporated under the Canada Corporations Act as a not-for-profit organization and is a Registered Canadian Amateur Athletic Association under the Income Tax Act and as such is exempt from income tax. In 2014, the Organization received a Certificate of Continuance under the Canada Not-for-Profit Corporations Act.

The Organization provides, among other related services, a focus for the growth and development of amateur sport at the provincial/territorial level, and a multi-sport competition known as the Canada Games.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada.

Financial assets and liabilities

The Organization initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate. The Organization subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable less sales tax receivables, and short-term deposits.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Organization has not designated any financial assets or liabilities to be measured at fair value.

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The amount of write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided on the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Period/Rate
Office equipment	Straight-line	5 years
Signage	Straight-line	5 years

Impairment

Long-lived are tested for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable when it exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposal. In such a case, an impairment loss must be recognized and is equivalent to the excess of the carrying amount of a long-lived asset over its residual value.

Revenue recognition

(i) Sponsorship revenue

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received from Sport Canada are subject to specific terms and conditions regarding the use of funds. The Organization's accounting records are subject to audit by Sport Canada. Adjustments to prior years' contributions are recorded in the year Sport Canada requests the adjustment.

Canada Games Council
Notes to Financial Statements
For the year ended March 31, 2019

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

(ii) Hosting

Hosting revenues are recognized as the services are provided in accordance with the Hosting agreements.

(iii) Value in-kind

The Organization records the value of donated goods and services (value in-kind) when a fair value can be reasonably estimated and when the materials and services would normally be purchased by the Organization.

(iv) Grants and Canada 150 project

Grant revenues were received from the Canadian Olympic Foundation. Revenues from grants and the Canada 150 project are recognized as the related expenses are incurred.

(v) Other revenue

Other revenue consists mainly of donations, which are recognized when received, or, in the case of donations related to specific events, when the event takes place.

(vi) Interest revenue

Interest income is recognized as it is earned.

Canada Games legacy payment (surplus)

Any surplus arising from any specific Canada Games Host Society will only be recognized as revenue in the Organization's financial statements in the fiscal year in which it is received.

Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires the Organization's management and directors to make estimates and assumptions that affect the reported amount of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. These estimates and assumptions are reviewed periodically and adjustments are reported in the year in which they become known. The main estimates relate to the provision for bad debts, the value of in-kind contributions, amortization rates and useful lives of capital assets, and the amount of certain accrued liabilities.

3 - ACCOUNTS RECEIVABLE

	2019	2018
	\$	\$
Accounts receivable	1,285,383	20,383
Sales tax receivable	234,363	33,404
	<u>1,519,746</u>	<u>53,787</u>

4 - CAPITAL ASSETS

		2019	2018
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Office equipment	46,422	28,519	17,903
Signage	3,344	1,338	2,006
	<u>49,766</u>	<u>29,857</u>	<u>19,909</u>

Cost and accumulated amortization at March 31, 2018 amounted to \$49,766 and \$22,808 respectively.

Canada Games Council
Notes to Financial Statements
For the year ended March 31, 2019

5 - GOVERNMENT REMITTANCES

Included in accounts payable and accrued liabilities are government remittances payable in the amount of \$703,480 (2018 - \$399,622).

6 - DEFERRED CONTRIBUTIONS

	2019	2018
	\$	\$
Balance, beginning of year	60,000	5,334,591
Add: amount received during the year for the Canada 150 project	-	13,709
Less: amount recognized as revenue during the year for the Canada 150 project	-	(123,300)
	60,000	5,225,000
Less: amount recognized as revenue during the year for the 2017 Canada Games	-	(5,225,000)
	60,000	-
Add: amount received during the year for the bid for the Canada Games occurring in 2023	-	60,000
Less: amount recognized as revenue during the year for the Canada Games occurring in 2023	(60,000)	-
Balance, end of year	-	60,000

7 - COMMITMENTS

The Organization has entered into an operating lease agreement for office premises until July 31, 2022 with estimated minimum annual payments for the next 4 years as follows:

2020	60,800
2021	62,833
2022	63,800
2023	21,267
	<u>208,600</u>

8 - ADMINISTRATION AND COORDINATION OF NATIONAL SPONSOR / LICENSEE SOLICITATION AND AGREEMENTS FOR THE CANADA GAMES

The Organization, as the Franchise Holder for the Canada Games, has been involved with the administration and coordination of national sponsor / licensee solicitation and agreements for the organization of the Canada Games for the Host Societies. As administrator of these national agreements, the Organization has accepted the responsibility of collecting funds from a sponsor / licensee and in turn issuing and allocating a specified amount to Canada Games Host Societies. During the fiscal year 2019, the Organization, through established national agreements, collected \$3,373,106 (\$1,330,000 cash and \$2,043,106 value-in-kind (VIK)) (2018 - \$3,030,892 (\$819,500 cash and \$2,211,392 VIK)) to Host Societies. The Organization's accounts receivable balance as at March 31, 2019 includes \$725,000 in cash (2018 - \$nil) outstanding from supporters for national agreements completed during the year. The Organization's accounts payable balance as at March 31, 2019 includes \$1,068,150 (2018 - \$nil) due to Host Societies from supporters for national agreements completed during the year.

The following chart summarizes the national agreements in place and disbursements to the Host Societies (HS) in 2019:

HS value-in-kind	HS cash	Total to HS	Organization value-in-kind*	Organization cash*	Total 2019
-	100,000	100,000	-	25,000	25,000
-	350,000	350,000	-	50,000	50,000
350,000	-	350,000	25,000	-	25,000
42,420	-	42,420	25,090	-	25,090
250,000	-	250,000	-	25,000	25,000
110,000	250,000	360,000	25,000	-	25,000
46,000	-	46,000	25,000	-	25,000
-	-	-	-	(2,000)	(2,000)
75,000	-	75,000	47,333	-	47,333
600,000	10,000	610,000	120,000	-	120,000
60,000	143,000	203,000	-	29,000	29,000
92,263	300,000	392,263	-	50,000	50,000
150,000	-	150,000	-	-	-
<u>1,775,683</u>	<u>1,153,000</u>	<u>2,928,683</u>	<u>267,423</u>	<u>177,000</u>	<u>444,423</u>

* These amounts are included in the Organization's financial statements.

Canada Games Council
Notes to Financial Statements
For the year ended March 31, 2019

8 - ADMINISTRATION AND COORDINATION OF NATIONAL SPONSOR / LICENSEE SOLICITATION AND AGREEMENTS FOR THE CANADA GAMES (continued)

The following chart summarizes the national agreements in place and disbursements to the Host Societies (HS) in 2018:

HS value-in-kind	HS cash	Total to HS	Organization value-in-kind*	Organization cash*	Total 2018
-	-	-	15,000	25,000	40,000
-	-	-	10,000	-	10,000
-	75,000	75,000	-	-	-
-	100,000	100,000	-	25,000	25,000
350,000	-	350,000	25,000	-	25,000
-	62,500	62,500	-	12,500	12,500
49,695	-	49,695	6,000	-	6,000
34,305	-	34,305	-	-	-
-	175,000	175,000	-	25,000	25,000
42,420	-	42,420	25,090	-	25,090
250,000	-	250,000	-	25,000	25,000
-	-	-	10,000	-	10,000
-	-	-	19,500	-	19,500
46,000	-	46,000	25,000	-	25,000
32,947	15,833	48,780	7,966	21,667	29,633
-	-	-	-	2,000	2,000
-	77,000	77,000	-	-	-
75,000	-	75,000	48,250	-	48,250
18,750	-	18,750	-	-	-
803,934	-	803,934	120,000	-	120,000
-	10,000	10,000	-	-	-
60,000	143,000	203,000	-	25,000	25,000
136,535	-	136,535	-	-	-
1,899,586	658,333	2,557,919	311,806	161,167	472,973

* These amounts are included in the Organization's financial statements.

9 - CAPITAL DISCLOSURE

The Organization defines its capital as its net assets, which are not subject to external requirements. Management's objective, when managing capital, is to safeguard the Organization's ability to continue as a going concern, so that it can continue to provide services in accordance with its mission.

There have been no changes to the Organization's capital requirements and its overall strategy for capital remains unchanged from the prior year.

10 - FINANCIAL INSTRUMENTS

The fair value of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying value. It is management's opinion that the Organization is not exposed to significant interest, currency or credit risks arising from these financial instruments.

Credit risk

The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive.

Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Organization is exposed to liquidity risk with respect to the accounts payable and accrued liabilities recognized in the statement of financial position. This risk is reduced due to the considerable sum sitting in cash at year end, and due to the fact that many of the significant accounts payable are offset by a corresponding accounts receivable.

The total value of financial assets carried at amortized cost is \$2,808,715 as at March 31, 2019 (\$1,273,025 as at March 31, 2018).

The investment practices of the Organization are designed to avoid undue risk of loss of assets and provide a reasonable rate of return given the nature of the investments. The maximum investment risk is represented by the fair value of the term deposits.

Canada Games Council
Notes to Financial Statements
For the year ended March 31, 2019

11 - SPORT CANADA CONTRIBUTIONS

A Contribution Agreement between the Organization and Sport Canada exists for the period of April 1, 2018 to March 31, 2019.

Allocation of expenses

Administration, governance expenses, salaries, operation/programming and official languages are allocated to programs according to management's best estimate based on project activities.

The schedule of revenue realized and expenses incurred from the Sport Canada Support Program for that period are:

	CGC expense	Approved by totals Sport Canada	Actual Sport Canada contribution
<i>Expenditures</i>			
Administration	127,018	111,585	111,585
Administration - value-in-kind	25,000	-	-
Governance	112,445	7,722	7,722
Salaries	1,085,456	589,230	589,230
Operations/Programming	837,157	391,783	391,783
Operations/Programming - value-in-kind	170,000	-	-
Official languages	38,576	15,500	15,500
	<u>2,395,652</u>	<u>1,115,820</u>	<u>1,115,820</u>

A Contribution Agreement between the Organization and Sport Canada existed for the period from April 1, 2017 to March 31, 2018. The schedule of revenue realized and expenses incurred from the Sport Canada Support Program for that period are:

	CGC expense	Approved by totals Sport Canada	Actual Sport Canada contribution
<i>Expenditures</i>			
Administration	3,050	111,585	111,585
Administration - value-in-kind	26,696	-	-
Governance	31,845	7,722	7,722
Salaries	997,162	589,230	589,230
Operations/Programming	1,197,082	391,783	391,783
Operations/Programming - value-in-kind	286,306	-	-
Official languages	50,910	15,500	15,500
	<u>2,593,051</u>	<u>1,115,820</u>	<u>1,115,820</u>

12 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year. Revenues and expenses in 2018 were reallocated in order to conform with the budget figures given to Sport Canada in the Organization's funding applications.