

Grande Prairie Gymnastic Society
Financial Statements
June 30, 2024

Independent Auditor's Report

To the Board of Directors of Grande Prairie Gymnastic Society:

Opinion

We have audited the financial statements of Grande Prairie Gymnastic Society (the "Society"), which comprise the statement of financial position as at June 30, 2024, and the statements of operations, 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 financial statements present fairly, in all material respects, the financial position of the Society as at June 30, 2024, 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.

Responsibilities of Management 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.

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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.

Grande Prairie, Alberta

November 26, 2024

MNP LLP

Chartered Professional Accountants

Grande Prairie Gymnastic Society

Statement of Financial Position

As at June 30, 2024

	2024	2023
Assets		
Current		
Cash and short-term investments (Note 3)	1,274,578	1,369,617
Accounts receivable	5,433	18,811
Prepaid expenses and deposits	-	9,166
Inventory	7,912	7,919
Funds held in trust (Note 4)	29,179	29,875
	1,317,102	1,435,388
Capital assets (Note 5)	138,757	137,128
Restricted investments (Note 6)	306,300	-
	1,762,159	1,572,516
Liabilities		
Current		
Accounts payable and accruals (Note 7)	141,641	124,983
Deferred revenue and prepaid fees (Note 8)	375,026	284,451
Trust liability (Note 4)	29,179	29,875
	545,846	439,309
Net Assets		
Invested in capital assets	138,755	137,128
Internally restricted reserve	306,300	337,322
Unrestricted	771,258	658,757
	1,216,313	1,133,207
	1,762,159	1,572,516

Approved on behalf of the Board



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Director



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Director

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society
Statement of Operations
For the year ended June 30, 2024

	2024	2023
Revenue		
Programs and competition revenue	1,432,319	1,445,306
Grant revenue	155,762	161,316
Rental income	48,028	32,332
Interest	31,282	29,469
Fundraising	10,210	-
Sale of merchandise	4,457	-
Cars for Christmas	-	69,769
Cash and Camping	-	36,701
Casino	-	31,037
Donations	-	3,785
Total revenue	1,682,058	1,809,715
Expenses		
Salaries and benefits	1,108,552	1,030,338
Supplies	132,194	152,481
Alberta Gymnastics Federation fees	106,579	122,854
Office expense	88,947	85,180
Bank and service fees	48,069	40,286
Amortization	32,794	32,710
Travel	31,332	46,309
Professional fees	20,576	20,236
Training and education	9,099	21,901
Insurance	9,123	8,876
Equipment rental	6,130	5,675
Telephone	4,998	4,491
Repairs and maintenance	258	309
Advertising	-	50
Total expenses	1,598,651	1,571,696
Excess of revenue over expenses before other items	83,407	238,019
Other items		
Loss on disposal of capital assets	(301)	-
Forgiveness of Canada Emergency Business Account	-	20,000
Excess of revenue over expenses	83,106	258,019

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society

Statement of Changes in Net Assets

For the year ended June 30, 2024

	<i>Invested in capital assets</i>	<i>Net assets unrestricted</i>	<i>Internally restricted reserve</i>	<i>2024</i>	<i>2023</i>
Net assets, beginning of year	137,128	658,757	337,322	1,133,207	875,188
Excess of revenue over expenses	-	83,106	-	83,106	258,019
	137,128	741,863	337,322	1,216,313	1,133,207
Capital assets purchased	34,722	-	(34,722)	-	-
Amortization	(32,794)	32,794	-	-	-
Loss on disposal of capital assets	(301)	301	-	-	-
Interest income earned	-	(3,700)	3,700	-	-
Net assets, end of year	138,755	771,258	306,300	1,216,313	1,133,207

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society
Statement of Cash Flows
For the year ended June 30, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	83,106	258,019
Amortization	32,794	32,710
Loss on disposal of capital assets	301	-
Forgiveness of Canada Emergency Business Account	-	(20,000)
	116,201	270,729
Changes in working capital accounts		
Accounts receivable	13,378	40,461
Inventory	6	1
Prepaid expenses and deposits	9,166	(9,166)
Accounts payable and accruals	16,658	22,871
Deferred revenue and prepaid fees	90,574	56,866
	245,983	381,762
Financing		
Repayment of long-term debt	-	(40,000)
Investing		
Purchase of capital assets	(34,722)	(28,048)
Purchase of investments	(306,300)	-
Increase (decrease) in cash resources	(95,039)	313,714
Cash resources, beginning of year	1,369,617	1,055,903
Cash resources, end of year	1,274,578	1,369,617

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the society

Grande Prairie Gymnastic Society (the "Society") was incorporated under the Alberta Societies Act as a not-for-profit organization and is a NPO under the Income Tax Act. In order to maintain its status as a NPO under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Society was established to provide Grande Prairie and area activities that meet the needs of all athletes in the gymnastics industry.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board and include the following significant accounting policies:

Cash and short-term investments

Cash and short-term investments include balances with banks and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business.

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 using the declining balance and straight line method at rates intended to amortize the cost of assets over their estimated useful lives.

In the year of acquisition, amortization is taken at one-half of the below rates.

	Method	Rate
Computer equipment	declining balance	30 %
Equipment	declining balance	20 %
Leasehold improvements	straight-line	5 years

Invested in capital assets

Invested in capital assets represents the equity the Society has invested in capital assets. The balance is determined as the cost of capital assets, less accumulated amortization and less any related debt or deferred capital contributions.

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Society's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Society determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Contributed materials and services

Contributions of materials and services are not recognized in the statement of operations as revenue nor expense. The nature, and where a reasonable estimate exists amount, of contributed materials and services received are disclosed in the notes to the financial statements.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted grant and fundraising revenue are recognized as revenue in the year in which the related expenses are incurred. Unrestricted grant and fundraising revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions for the acquisition of capital assets are deferred and recognized as revenue on the same basis as the asset is amortized. Program fee revenue is recognized as the service is provided and deferred at year-end for services to be provided subsequent to year-end. Rental revenue is recognized at the beginning of each month for rental of the space for that month.

Government assistance

Claims for assistance under various government grant programs are recorded as other income in the year in which eligible expenditures are incurred.

Measurement uncertainty and use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenue and expenses in the periods in which they become known.

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Society's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; or no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Society reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Society reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Internally restricted net assets

A reserve fund has been set-up by the board for future capital asset expenditures.

3. Cash and short term investments

Included within the cash balance are restricted fund bank account balances totaling \$113,240 (2023 - \$337,321) bearing interest ranging from 3.85% to 4.00% (2023 - 2.55% to 3.05%) per annum. These funds are designated for the externally restricted deferred casino revenue (2023 - internally restricted reserves).

Short-term investments accrue interest monthly at 4.84% and mature in September 2024.

4. Funds held in trust

Funds held in trust consists of funds held by the Society for Women's Artistic Gymnastics, Tramps and Tumbling and Cheer funds. Fundraising for these programs is done by the parents where these funds are not spent on operations for the Society.

Grande Prairie Gymnastic Society
Notes to the Financial Statements
For the year ended June 30, 2024

5. Capital assets

			2024	2023
	<i>Cost</i>	<i>Accumulated amortization</i>	<i>Net book value</i>	<i>Net book value</i>
Computer equipment	118,776	102,671	16,105	12,766
Equipment	850,870	737,231	113,639	112,774
Leasehold improvements	64,062	55,049	9,013	11,588
	1,033,708	894,951	138,757	137,128

6. Restricted investment

Included within the restricted investment balance is \$306,300 (2023 - \$nil) accruing interest monthly at 4.84% and mature in September 2024. These funds are designated for the internally restricted reserves.

7. Accounts payable and accruals

	2024	2023
Accounts payable	49,787	19,409
Accrued liabilities	17,000	18,750
Wages and vacation payable	73,632	78,279
Goods and services tax payable	1,222	8,546
	141,641	124,984

The Society has access to a Mastercard with a credit limit of \$20,000 (2023 - \$20,000) bearing an interest rate of 11.95% which is secured by all of the Society's present and acquired personal property. As of June 30, 2024, \$11,730 (2023 - \$17,901) has been drawn and is included in the accounts payable balance.

Included in Wages and vacation payable is source deductions of \$8,447 (2023 - \$7,846) payable to the Receiver General.

8. Deferred revenue and prepaid fees

	2024	2023
Deferred revenue	217,595	227,652
Prepaid fees	44,191	56,799
Deferred casino revenue	113,240	-
	375,026	284,451

9. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Society to concentrations of credit risk consist primarily of trade accounts receivable.

At year end, there is no credit concentration (2023 - no credit concentration) of total trade accounts receivable.

10. Contributed materials and services and commitments

The Society has a 25 year lease with respect to the land and building that the Society operates in. The lease commenced March 23, 2004 for \$1 per year. The Society has not recognized a contribution nor expense related to this contribution of facility rental. The fair value of the lease has not been determined, therefore, disclosure of the value of the unrecognised contribution is indeterminable.