

Grande Prairie Gymnastic Society
Financial Statements
June 30, 2025

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, 2025, 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, 2025, 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.

Grande Prairie, Alberta

December 3, 2025

MNP LLP

Chartered Professional Accountants

MNP

Grande Prairie Gymnastic Society Statement of Financial Position

As at June 30, 2025

2025 **2024**
*Restated - see
Note 11*

Assets

Current

CURRENT		
Cash and short-term investments (Note 3)	1,464,421	1,274,578
Accounts receivable	11,893	5,433
Inventory	9,875	7,912
Funds held in trust (Note 4)	29,940	29,179
	1,516,129	1,317,102
Capital assets (Note 5)	145,224	138,757
Restricted investments (Note 6)	322,073	306,300
	1,983,426	1,762,159

Liabilities

Current

Accounts payable and accruals (Note 7)	137,883	141,641
Deferred revenue and prepaid fees (Note 8)	137,031	261,786
Trust liability (Note 4)	29,940	29,179
	304,854	432,606

Net Assets

Invested in capital assets	145,223	138,755
Internally restricted reserve	322,073	306,300
Unrestricted	1,211,276	884,498
	1,678,572	1,329,553
	1,983,426	1,762,159

Approved on behalf of the Board

Director

Director

Grande Prairie Gymnastic Society
Statement of Operations
For the year ended June 30, 2025

	2025	2024
	Restated - see Note 11	
Revenue		
Programs and competition revenue	1,793,642	1,432,319
Grant revenue	159,393	155,762
Cash and Camping	61,971	39,340
Cars for Christmas	55,583	73,900
Rental income	35,749	48,028
Interest	20,870	31,282
Sale of merchandise	1,300	4,457
Donations	135	-
Fundraising	-	10,210
Total revenue	2,128,643	1,795,298
Expenses		
Salaries and benefits	1,120,691	1,108,552
Supplies	181,252	132,194
Alberta Gymnastics Federation fees	110,759	106,579
Travel	91,999	31,332
Office expense	62,760	88,947
Training and education	61,525	9,099
Bank and service fees	57,416	48,069
Amortization	34,613	32,794
Professional fees	33,934	20,576
Insurance	10,767	9,123
Equipment rental	5,819	6,130
Telephone	4,516	4,998
Repairs and maintenance	3,221	258
Advertising	352	-
Total expenses	1,779,624	1,598,651
Excess of revenue over expenses before other item	349,019	196,647
Other item		
Loss on disposal of capital assets	-	(301)
Excess of revenue over expenses	349,019	196,346

Grande Prairie Gymnastic Society
Statement of Changes in Net Assets
For the year ended June 30, 2025

	<i>Invested in capital assets</i>	<i>Net assets unrestricted</i>	<i>Internally restricted reserve</i>	2025	2024
				<i>Restated - see Note 11</i>	
Net assets, beginning of year, as previously stated	138,755	771,258	306,300	1,216,313	1,133,207
Prior period adjustment (Note 11)	-	113,240	-	113,240	-
Net assets, beginning of year, as restated	138,755	884,498	306,300	1,329,553	1,133,207
Excess of revenue over expenses	-	349,019	-	349,019	196,346
	138,755	1,233,517	306,300	1,678,572	1,329,553
Capital assets purchased	41,080	(41,080)	-	-	-
Amortization	(34,612)	34,612	-	-	-
Interest income earned	-	(15,773)	15,773	-	-
Net assets, end of year	145,223	1,211,276	322,073	1,678,572	1,329,553

Grande Prairie Gymnastic Society

Statement of Cash Flows

For the year ended June 30, 2025

For the year ended June 30, 2025

	2025	2024
	Restated - see Note 11	
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	349,019	196,346
Amortization	34,613	32,794
Loss on disposal of capital assets	-	301
	383,632	229,441
Changes in working capital accounts		
Accounts receivable	(6,460)	13,378
Inventory	(1,963)	6
Prepaid expenses and deposits	-	9,166
Accounts payable and accruals	(3,758)	16,658
Deferred revenue and prepaid fees	(124,756)	(22,666)
	246,695	245,983
Investing		
Purchase of capital assets	(41,080)	(34,722)
Purchase of investments	(15,772)	(306,300)
	(56,852)	(341,022)
Increase (decrease) in cash resources	189,843	(95,039)
Cash resources, beginning of year	1,274,578	1,369,617
Cash resources, end of year	1,464,421	1,274,578

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society
Notes to the Financial Statements
For the year ended June 30, 2025

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 ('NPO') 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 with 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 set out in Part III of the CPA Canada Handbook - Accounting as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and short-term investments

Cash and cash equivalents 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 plus all costs directly attributable to the acquisition.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives.

	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.

Internally restricted net assets

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

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

Contributions of materials and services are not recognized in the statement of operations as revenue nor expense. The nature, and where a reasonably estimated amount is determinable, of contributed materials and services received are disclosed in the notes to the financial statements (Note 10).

Grande Prairie Gymnastic Society
Notes to the Financial Statements
For the year ended June 30, 2025

2. Significant accounting policies (continued from previous page)

Revenue recognition

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 revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Service Revenue

Revenue from programs, competitions, and rentals is recognised over the terms of the programs. Revenue is recognised as the programs occur, when collection is reasonably assured, and when measurement can be reasonably estimated.

Grant Funding

Unrestricted grant funding is recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted grant funding is recognized as revenue in the year in which the related expenses are incurred.

Donation/Fundraising

Unrestricted donation income and restricted donation income is recognized as revenue in the year in which the related expenses are incurred.

Interest Income

Unrestricted interest income is recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted interest income is recognized as revenue in the year in which the related expenses are incurred.

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.

Grande Prairie Gymnastic Society

Notes to the Financial Statements

For the year ended June 30, 2025

2. Significant accounting policies (continued from previous page)

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.

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.

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.

Accounting for cloud computing arrangement

The Society has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Society recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of \$27,937 have been recognised as office expenses.

3. Cash and short term investments

Included within this balance is \$719,157 (2024 - \$31,198) accruing interest monthly at 2.00% and 3.00% (2024 - 4.84%) maturing in October 2025 and March 2026 (2024 - October 2024).

Grande Prairie Gymnastic Society
Notes to the Financial Statements
For the year ended June 30, 2025

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 and these funds are not spent on the operations of the Society.

5. Capital assets

		2025	2024		
		Cost	Accumulated amortization	Net book value	Net book value
Computer equipment		125,543	108,550	16,993	16,105
Equipment		885,183	763,390	121,793	113,639
Leasehold improvements		64,062	57,624	6,438	9,013
		1,074,788	929,564	145,224	138,757

6. Restricted investment

Included within the restricted investment balance is \$322,073 (2024 - \$306,300) accruing interest monthly at 2.00% and 3.00% (2024 - 4.84%) and mature in October 2025 and March 2026 (2024 - October 2024). These funds are designated for the internally restricted reserve.

7. Accounts payable and accruals

		2025	2024
Accounts payable		49,527	51,287
Accrued liabilities		19,500	17,000
Wages and vacation payable		66,531	72,132
Goods and services tax payable		2,325	1,222
		137,883	141,641

The Society has access to a Mastercard with a credit limit of \$20,000 (2024 - \$20,000) bearing an interest rate of 11.95% (2024 - 11.95%) which is secured by all of the Society's present and after acquired personal property. As of June 30, 2025, \$13,786 (2024 - \$11,730) has been drawn and is included in the accounts payable balance.

Included in wages and vacation payable is source deductions of \$10,009 (2024 - \$8,447) payable to the Receiver General.

8. Deferred revenue and prepaid fees

		2025	2024
			<i>Restated - see Note 11</i>
Deferred revenue		137,031	217,595
Prepaid fees		-	44,191
		137,031	261,786

Grande Prairie Gymnastic Society
Notes to the Financial Statements
For the year ended June 30, 2025

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 (2024 - 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.

11. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

During the 2025 year, it was determined that \$113,240 of deferred revenue in 2024 should have been recognized in revenue in 2024. For 2024, this has resulted in an increase in Cash and Camping revenue of \$39,340, an increase in Cars for Christmas revenue of \$73,900, an increase in ending unrestricted net assets of \$113,240 and a decrease in deferred revenue by \$113,240. In 2025, the opening unrestricted net assets has been increased by \$113,240.