

GYMNASTICS SASKATCHEWAN INC.

FINANCIAL STATEMENTS

AUGUST 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
Gymnastics Saskatchewan Inc.

Qualified Opinion

I have audited the accompanying financial statements of Gymnastics Saskatchewan Inc. (the Entity), which comprise the statement of financial position as at August 31, 2023 and the statements of revenues over expenses and net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Gymnastics Saskatchewan Inc. as at August 31, 2023 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many non-profit organizations, Gymnastics Saskatchewan Inc. derives part of its revenue from membership fees, donations and other fundraising activities, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these transactions was limited to accounting for the amounts recorded in the records of the Association and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

Regina, Saskatchewan
October 25, 2023



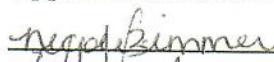
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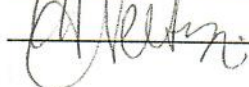
GYMNASTICS SASKATCHEWAN INC.
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2023
(with comparative figures for 2022)

	2023	2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 947,500	\$ 1,200,029
Short-term investments	306,595	-
Odyssey fund	133,273	126,439
Accounts receivable	21,390	307
GST receivable	16,843	9,246
Inventory (cost)	37,957	27,842
Prepaid expenses	<u>79,619</u>	<u>92,478</u>
	1,543,177	1,456,341
Tangible capital assets (Note 3)	14,675	14,296
Investment (Note 4)	<u>303,520</u>	<u>604,933</u>
	<u>\$ 1,861,372</u>	<u>\$ 2,075,570</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,800	\$ 20,476
Deferred revenue (Note 5)	76,188	527,150
Deferred revenue - Odyssey fund (Note 5)	<u>133,323</u>	<u>126,439</u>
	<u>224,311</u>	<u>674,065</u>
NET ASSETS		
Internally Restricted Operating Reserve	900,000	900,000
Emergency Reserve Fund	286,700	227,811
Invested in Capital Assets	14,675	14,296
Strategic and Program Reserve Fund	289,807	172,029
Unrestricted Surplus	<u>145,879</u>	<u>87,369</u>
	<u>1,637,061</u>	<u>1,401,505</u>
	<u>\$ 1,861,372</u>	<u>\$ 2,075,570</u>

See accompanying notes

Approved on Behalf of the Board

 Director

 Director

GYMNASTICS SASKATCHEWAN INC.
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED AUGUST 31, 2023
(with comparative figures for 2022)

	2023	2022
Revenue		
Grants (Schedule 1)	\$ 810,400	\$ 701,600
Self Help (Schedule 2)	<u>1,472,704</u>	<u>1,136,308</u>
	<u>2,283,104</u>	<u>1,837,908</u>
Expenditure		
Administration (Schedule 3)	299,218	292,183
Capacity/Interaction (Schedule 4)	372,927	206,778
Participation (Schedule 5)	519,981	402,157
Excellence (Schedule 6)	441,056	433,712
Categorical expenses (Schedule 7)	266,466	133,236
Membership Assistance Program (Schedule 8)	<u>147,900</u>	<u>147,100</u>
	<u>2,047,548</u>	<u>1,615,166</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 235,556</u>	<u>\$ 222,742</u>

See accompanying notes

GYMNASTICS SASKATCHEWAN INC.
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2023
(with comparative figures for 2022)

	2023					2022	
Net Assets	Restricted Operating Reserve	Emergency Reserve Funds	Invested In Capital Assets	Team Travel Fund	Strategic and Program Reserve Fund	Unrestricted Surplus	
Balance - beginning of year	\$ 900,000	227,811	14,296	-	172,029	87,369	\$ 1,178,763
Excess (deficiency) of revenues over expenses	-	-	(4,935)	-	-	240,491	222,742
Allocation to reserves/funds	-	58,889	-	-	117,778	(176,667)	-
Additions to capital assets	-	-	5,314	-	-	(5,314)	-
Balance - end of year	\$ 900,000	\$ 286,700	\$ 14,675	-	289,807	145,879	\$ 1,401,505

See accompanying notes

GYMNASTICS SASKATCHEWAN INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2023
(with comparative figures for 2022)

	2023	2022
Operating activities		
Excess (deficiency) of revenues over expenditures	\$ 235,556	\$ 222,742
Items not involving an outlay (receipt) of cash		
Amortization	<u>4,936</u>	<u>3,894</u>
	240,492	226,636
Net change in non-cash operating working capital balances		
Short-term investments	(306,595)	-
Odyssey fund	(6,834)	(7,314)
Accounts receivable	(21,083)	3,044
GST receivable	(7,597)	(7,826)
Inventory	(10,115)	21,139
Prepaid expenses	12,859	(20,075)
Accounts payable and accrued liabilities	(5,676)	14,712
Deferred revenue	(450,962)	32,878
Deferred revenue - Odyssey Fund	<u>6,884</u>	<u>7,314</u>
Cash provided by (used in) operating activities	<u>(548,627)</u>	<u>270,508</u>
Investing activities		
Increase in investments	301,413	(69,583)
Additions to tangible capital assets	<u>(5,315)</u>	<u>-</u>
Cash provided by investing activities	<u>296,098</u>	<u>200,925</u>
Increase (decrease) in cash	(252,529)	200,925
Cash position, beginning of year	<u>1,200,029</u>	<u>999,104</u>
Cash position, end of year	<u>\$ 947,500</u>	<u>\$ 1,200,029</u>

See accompanying notes

GYMNASTICS SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023

1. Status and nature of activities

Gymnastics Saskatchewan Inc. is incorporated under the Non-Profit Corporations Act of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations. The purpose of Gymnastics Saskatchewan Inc. is to govern all activities and promote the sport of gymnastics, trampoline and aerobics within the province in both competitive and recreational areas.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

Cash and cash equivalents

The entity's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity of three months or less from the date of acquisition. Term deposits that the entity cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

Inventory

Inventory is recorded at cost.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which for computer equipment is 3 years and furniture and equipment is 10 years. Full amortization is recorded in the year of purchase.

Revenue recognition

Gymnastics Saskatchewan Inc. 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 they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by Gymnastics Saskatchewan Inc. as approved by Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreations. Accordingly, amounts received that relate to the next fiscal period are shown as deferred revenue.

Financial instruments

The Gymnastics Saskatchewan Inc. initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Management estimates

The preparation of the 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 at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

GYMNASTICS SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023

3. Tangible capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net Book Value</u>	<u>2022 Net Book Value</u>
Computers	\$ 14,933	12,695	\$ 2,238	\$ -
Furniture & equipment	40,902	28,465	12,437	14,296
	<u>\$ 55,835</u>	<u>41,160</u>	<u>\$ 14,675</u>	<u>\$ 14,296</u>

4. Long term investments

	<u>2023</u>	<u>2022</u>
TD Canadian Banks GIC, matures December 6, 2026, interest rate 1.17%	\$ 303,520	\$ 300,000
TD Canadian Banking & Utilities GIC, matures November 20, 2023, interest rate 0.5451%	-	304,933
	<u>\$ 303,520</u>	<u>\$ 604,933</u>

5. Deferred revenue

During 2023, Gymnastics Saskatchewan Inc. had deferred revenue of \$76,188 of deposits relating to the next fiscal year. There is also \$133,273 of monies accumulated in the Odyssey fund.

6. Financial instruments

Gymnastics Saskatchewan Inc. is exposed to various risks through its financial instruments. The following analysis provides a measure of the Gymnastics Saskatchewan Inc.'s exposure and concentrations at August 31, 2023:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. The Organization is exposed to credit risk with respect to cash and accounts receivable. The Organization manages its credit risk by placing cash with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable.

Liquidity risk

Liquidity risk is the risk that the Organization may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Organization is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash.

GYMNASTICS SASKATCHEWAN INC.
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2023

7. Financial instruments cont'd

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk with respect to its cash and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash due to the fact that interest income is not a major percentage of total revenue.

7. Economic dependence

Gymnastics Saskatchewan Inc. receives significant revenue in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the organization is dependent upon the continuance of these grants to maintain operations at their current level.

8. Contingent liability

GymCan is involved in certain legal matters and litigation including one uncertified class action claim in which Gymnastics Saskatchewan has been named as a defendant. The outcome of these claims is not presently determinable and an estimate of a liability, if any, cannot be reasonably made. No liability has been recorded relating to these claims. GymCan has insurance policies which will provide coverage for these claims should damages be awarded. Any deductible or residual payment above the insured amount required by GymCan from the resolution of these claims will be accounted for in the periods in which the claim are resolved.

9. Comparative figures

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

GYMNASTICS SASKATCHEWAN INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023
(with comparative figures for 2022)

	2023	2022
Grants		Schedule 1
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation		
Annual Funding	\$ 607,000	\$ 509,500
Membership Assistance program	147,900	147,100
Covid Federal Emergency Support	-	-
High Performance Coach Capacity	45,000	45,000
Hosting	10,500	-
	<u>\$ 810,400</u>	<u>\$ 701,600</u>
Self Help		Schedule 2
Internal		
Athlete fees	\$ 97,854	\$ 100,696
Clinics and programs and competitions	295,247	178,325
Membership fees	893,307	811,423
External		
Donations and sponsorships	3,205	2,225
Future Best	4,500	13,500
Interest income	37,206	39,219
Merchandising and sales	(13,995)	(9,080)
NGIAA Grant	672	-
Awards banquet	8,310	-
Elite Canada Hosting	91,719	-
Westerns Hosting	54,679	-
	<u>\$ 1,472,704</u>	<u>\$ 1,136,308</u>

GYMNASTICS SASKATCHEWAN INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023
(with comparative figures for 2022)

	2023	2022
Administration		Schedule 3
Amortization	\$ 4,936	\$ 3,894
Audit fees	5,696	5,443
Office operations	71,013	65,098
Salaries and benefits	<u>217,573</u>	<u>217,748</u>
	<u>\$ 299,218</u>	<u>\$ 292,183</u>
Capacity/Interaction		Schedule 4
Communications and promotions	\$ 12,884	\$ 2,197
Financial and member services	10,702	20,540
Insurance	281,079	173,718
Meetings - board and committee	1,767	2,037
- annual general	6,124	-
- national	9,273	339
Professional development and planning	87	3,941
Recognition programs	50,627	3,529
Website	<u>384</u>	<u>477</u>
	<u>\$ 372,927</u>	<u>\$ 206,778</u>
Participation		Schedule 5
Athlete development		
Competitions and programs	\$ 71,422	\$ 60,741
Introductory programs	198,174	84,889
Under-represented group programs	21,441	11,809
Coaching development	220,683	228,697
Officials development	<u>8,261</u>	<u>16,021</u>
	<u>\$ 519,981</u>	<u>\$ 402,157</u>
Excellence		Schedule 6
Athlete Assistance grants	\$ 23,500	\$ 25,750
Athlete Competition and travel	206,454	203,564
Athlete Training	22,721	53,597
Sport Science & Medicine	6,111	1,838
Coaching development	83,517	75,839
HP Coaching grants		
Marian Gymnastics Club	25,500	25,500
Taiso Gymnastics Club	25,500	25,500
Officials development	<u>47,753</u>	<u>22,124</u>
	<u>\$ 441,056</u>	<u>\$ 433,712</u>
Categorical expenses		Schedule 7
Future Best	\$ 4,500	\$ 13,500
Elite Canada Hosting	83,390	-
Gym Canada membership fees	127,552	119,736
NGIAA	672	-
Westerns Hosting	<u>50,352</u>	<u>-</u>
	<u>\$ 266,466</u>	<u>\$ 133,236</u>

GYMNASTICS SASKATCHEWAN INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023
(with comparative figures for 2022)

	2023	2022
Membership Assistance Program		Schedule 8
Amazing Adventures	\$ 18,585	\$ 17,259
Asquith Gym Club	344	-
Assiniboia Gym Club	568	522
Battleford's Gym	3,609	3,145
Biggar Gym Club	489	377
Bohemka Rhythmic Gymnastics Club	571	519
Calico Gymnastics Club	1,827	2,192
CanAm Gym Club, Saskatoon	13,589	15,241
Carnduff Gym Club	950	874
Carrot River Gym Club	368	389
Channel Performance	414	-
Esterhazy Energizers	1,725	1,865
Estevan Gym Association	2,462	2,959
Finding Grace	170	-
FlipSide	1,858	1,298
Gelico Gymnastics Club	2,725	2,640
Grenfell Gymnastics Club	400	545
Gymnastics Adventure Inc.	1,286	1,210
Gymtastiks of Moose Jaw	2,667	3,234
Kyle Gymnastics Club	342	394
LaRonge Gym Club	826	-
Leaps and Bounds Gym Club	1,228	1,158
Line 19 Gymnastics Club	120	-
Maple Creek Gym Club	-	583
Marian Gym Club	1,394	1,357
Meadow Lake Gymnastics Club	1,320	-
Maximum Gymnastics	7,375	7,650
Moose Mountain Jumpers	1,369	1,273
Subtotal	<u>68,581</u>	<u>66,684</u>

GYMNASTICS SASKATCHEWAN INC.
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023
(with comparative figures for 2022)

	2023	2022
Subtotal - previous page	68,581	66,684
Nipawin Gymnastics Club	2,015	1,916
Outlook Gymnastics Club	1,026	1,281
Paradise Hill Gym Club	573	-
Perfect Balance Hudson Bay	348	578
Prince Albert Gym Club	5,695	6,303
Queen City Gymnastics Club	7,918	8,150
Regina Rhythmic Gymnastics	2,462	1,097
Ritmo Gymnastics	4,638	3,404
Rosetown Gym Club	806	875
Ross Gym and Fit	768	1,059
T&T Adventure Gym Club	517	636
Taiso Gym Club	39,718	9,563
Tisdale Twisters Gym Club	1,000	1,277
Turn-A-Row	404	744
Unity Gym Club	426	541
Valley Gymnastics Centre	1,439	1,469
Wascana Rhythmic Club	4,093	6,577
Weyburn Gym Club	2,899	2,944
Yorkton Springer's Gymnastics	2,243	31,695
Zero Gravity Gym Club	331	307
	<u>\$ 147,900</u>	<u>\$ 147,100</u>