

Grande Prairie Gymnastic Society (Gymniks)
Financial Statements
June 30, 2018

Independent Auditors' Report

To the Board of Directors of Grande Prairie Gymnastic Society (Gymniks):

We have audited the accompanying financial statements of Grande Prairie Gymnastic Society (Gymniks), which comprise the statement of financial position as at June 30, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Grande Prairie Gymnastic Society (Gymniks) as at June 30, 2018 and the results of its operations, changes in net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Grande Prairie Gymnastic Society (Gymniks) adopted Canadian accounting standards for not-for-profit organizations on July 1, 2017 with a transition date of July 1, 2016. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at June 30, 2017 and July 1, 2016, and the statements of operations, changes in net assets and cash flows for the year ended June 30, 2017 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is neither audited nor reviewed.

Grande Prairie, Alberta

November 13, 2018

MNP LLP

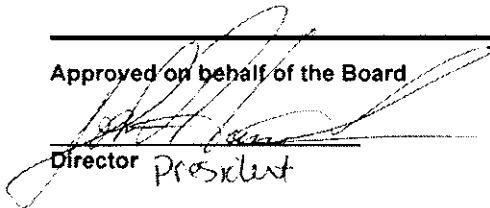
Chartered Professional Accountants

Grande Prairie Gymnastic Society (Gymniks)
Statement of Financial Position

As at June 30, 2018

	2018	2017 <i>(Unaudited)</i> <i>(Restated)</i>	July 1 2016 <i>(Unaudited)</i> <i>(Restated)</i>
Assets			
Current			
Cash (Note 4)	548,078	711,512	766,015
Accounts receivable (Note 5)	61,076	5,020	6,129
Prepaid expenses and deposits	3,213	11,937	4,360
Inventory	24,916	24,916	25,159
	637,283	753,385	801,663
Capital assets (Note 6)	154,207	142,574	143,458
	791,490	895,959	945,121
Liabilities			
Current			
Accounts payable and accruals (Note 7)	42,393	60,230	36,004
Deferred contributions (Note 8)	453,493	515,457	602,140
Prepaid fees	165,645	170,292	118,256
	661,531	745,979	756,400
Net Assets			
Invested in capital assets	154,207	142,574	143,458
Unrestricted	(24,248)	7,406	45,263
	129,959	149,980	188,721
	791,490	895,959	945,121

Approved on behalf of the Board


 Director President

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society (Gymniks)
Statement of Operations
For the year ended June 30, 2018

	2018	2017 <i>(Unaudited)</i> <i>(Restated)</i>
Revenue		
Memberships	1,507,354	1,422,582
Competition fees and other	78,563	13,034
Change in deferred revenue	61,964	86,683
Sale of merchandise	53,169	61,683
Rental income	53,000	52,734
Cars for Christmas	36,581	37,257
Cash and camping	34,147	28,941
Donations	10,354	16,052
Interest	1,505	1,788
Grant revenue	-	4,250
Total revenue	1,836,637	1,725,004
Expenses		
Advertising	8,000	13,466
Alberta Gymnastics Federation fees	125,412	110,003
Amortization	34,778	43,983
Bank charges and interest	49,930	46,462
Equipment rental	6,802	7,871
Insurance	6,870	7,687
Membership fees	457	984
Office expense	77,209	68,294
Other expenses	39,959	-
Professional fees	14,575	3,685
Repairs and maintenance	239	3,189
Salaries and benefits	1,191,338	1,168,501
Supplies	261,930	230,163
Telephone	5,050	4,810
Travel	34,109	54,647
Total expenses	1,856,658	1,763,745
Deficiency of revenue over expenses	(20,021)	(38,741)

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society (Gymniks)
Statement of Changes in Net Assets
For the year ended June 30, 2018

	<i>Invested in capital assets</i>	<i>Net assets unrestricted</i>	2018	2017 <i>(Unaudited) (Restated)</i>
Net assets, beginning of year, as previously stated	142,574	7,406	149,980	790,862
Correction of an error (Note 2)	-	-	-	(602,141)
Net assets, beginning of year, as restated	142,574	7,406	149,980	188,721
Deficiency of revenue over expenses	-	(20,021)	(20,021)	(38,741)
	142,574	(12,615)	129,959	149,980
Capital assets purchased	46,411	(46,411)	-	-
Amortization	(34,778)	34,778	-	-
Net assets, end of year	154,207	(24,248)	129,959	149,980

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society (Gymniks)
Statement of Cash Flows
For the year ended June 30, 2018

	2018	2017 <i>(Unaudited)</i> <i>(Restated)</i>
Cash provided by (used for) the following activities		
Operating		
Deficiency of revenue over expenses	(20,021)	(38,741)
Amortization	34,778	43,983
	14,757	5,242
Changes in working capital accounts		
Accounts receivable	(56,056)	3,369
Inventory	-	243
Prepaid expenses and deposits	8,724	(7,577)
Accounts payable and accruals	(17,838)	21,966
Prepaid fees	(4,646)	52,036
Deferred contributions	(61,964)	(86,683)
	(117,023)	(11,404)
Investing		
Purchase of property, plant and equipment	(46,411)	(43,099)
Decrease in cash resources	(163,434)	(54,503)
Cash resources, beginning of year	711,512	766,015
Cash resources, end of year	548,078	711,512

The accompanying notes are an integral part of these financial statements

Grande Prairie Gymnastic Society (Gymniks) Notes to the Financial Statements

For the year ended June 30, 2018

1. Incorporation and nature of the organization

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

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

2. Impact of adopting accounting standards for not-for-profit organizations

These are the Organization's first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The accounting policies in Note 3 have been applied in preparing the financial statements for the year ended June 30, 2018, the comparative information for the year ended June 30, 2017, and the opening ASNPO statement of financial position as at July 1, 2016 (the Organization's date of transition to ASNPO).

In preparing these financial statements, the Organization has elected not to apply any of the transitional provisions permitted by Section 1501 *First-time adoption by not-for-profit organizations* at the date of transition to ASNPO.

Transition to ASNPO has affected the statement of financial position and statement of operations previously reported as follows:

Prior to transition to ASNPO the Organization recognized all revenue when received and/or receivable. Under ASNPO the Organization has recognized funds received as a deferred revenue liability when restrictions on the use of those funds exist. The recognition of such funds as revenue is deferred to the period in which the related expenditures are incurred.

The resulting transitional adjustment has been to increase deferred contribution liability and decrease net assets at July 1, 2016 by \$602,140; and to increase revenue for the year-ended June 30, 2017 by \$86,683 from those figures previously reported prior to transition to ASNPO.

3. 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 cash equivalents

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

Inventories held for distribution at no charge or for a nominal charge, or for consumption in the production process of goods to be distributed at no charge or for a nominal charge are recognized at the lower of cost and current replacement cost. Cost is determined by the first in, first out method.

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 method 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

Grande Prairie Gymnastic Society (Gymniks)
Notes to the Financial Statements
For the year ended June 30, 2018

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

Invested in capital assets

Invested in capital assets represents the equity the Organization 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.

When the Organization determines that a long-lived asset no longer has any long-term service potential to the organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

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.

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. All other contributions are reported in revenue in the current year.

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 as well as warranty and after sales service costs. 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 (Gymniks)

Notes to the Financial Statements

For the year ended June 30, 2018

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

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*.

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

The Organization 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 Organization'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 the excess of revenue over expenses for the current period. 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 Organization assesses impairment of all of its financial assets measured at cost or amortized cost. The Organization 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 Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Organization 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; 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 Organization 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 earnings in the year the reversal occurs.

4. Cash

Included within the cash balance are restricted fund bank accounts totaling \$453,493 (2017- \$515,457) bearing interest at 0.050% to 3.50%. These funds are designated for deferred contributions.

5. Accounts receivable

	2018	<i>2017</i> <i>(Unaudited)</i>
Accounts receivable	35,188	2,760
Government remittances receivable	25,888	2,260
	61,076	5,020

Grande Prairie Gymnastic Society (Gymniks)
Notes to the Financial Statements
For the year ended June 30, 2018

6. Capital assets

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value (Unaudited)
Computer equipment	79,598	66,534	13,064	16,802
Equipment	811,236	700,745	110,491	84,883
Leasehold improvements	51,186	20,534	30,652	40,889
	942,020	787,813	154,207	142,574

7. Accounts payable and accruals

	2018	2017 (Unaudited)
Accounts payable	18,415	29,701
Accrued liabilities	10,500	5,000
Vacation payable	12,167	23,823
Source deductions payable	-	1,706
Goods and services tax payable	1,311	-
	42,393	60,230

8. Deferred contributions

Deferred contributions consist of program revenue and unspent contributions externally restricted for accounting fees, award costs, donations, program related equipment, facility equipment, rent, and 10% of administration fees. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2018	2017 (Restated) (Unaudited)
Rotary Lotteries		
Balance, beginning of year	386,286	385,037
Restricted amounts received during the year	1,357	1,249
Less: Amount recognized as revenue during the year	(46,411)	-
	341,232	386,286
Casino Trust		
Balance, beginning of year	129,171	185,177
Restricted amounts received during the year	70,860	66,591
Less: Amount recognized as revenue during the year	(87,770)	(122,597)
	112,261	129,171
	453,493	515,457

Grande Prairie Gymnastic Society (Gymniks)

Notes to the Financial Statements

For the year ended June 30, 2018

9. Financial instruments

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

10. Contributed materials and services and commitments

The Organization has a 25 year lease with respect to the land and building that the Organization operates in, the lease commenced March 23, 2004 for \$1 per year. The Organization 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 unrecognized contribution is indeterminable.

11. Comparative figures

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