

**The Bluewater Gymnastics Club Sarnia Inc.**

**Financial Statements**

**June 30, 2023**

**The Bluewater Gymnastics Club Sarnia Inc.**

**June 30, 2023**

**Table of Contents**

<b>Independent Practitioner's Review Engagement Report</b>	<b>1-2</b>
<b>Statement Of Operations</b>	<b>3</b>
<b>Statement Of Changes In Net Assets</b>	<b>4</b>
<b>Statement Of Financial Position</b>	<b>5</b>
<b>Statement Of Cash Flows</b>	<b>6</b>
<b>Notes To Financial Statements</b>	<b>7 - 11</b>

---

## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

---

### **To The Board Of Directors Of The Bluewater Gymnastics Club Sarnia Inc.**

We have reviewed the accompanying financial statements of The Bluewater Gymnastics Club Sarnia Inc. (the Organization) that comprise the statement of financial position as at June 30, 2023 and the statements of operations, change 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 Non-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.

#### *Practitioner's Responsibility*

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

#### *Basis for Qualified Opinion*

As discussed in Note 1 to the financial statements, the Organization is not capitalizing and amortizing property, plant and equipment, but instead expenses property, plant and equipment acquisitions in the year of purchase, which constitutes a departure from Canadian Accounting Standards for Not-for-Profit Organizations. If property, plant and equipment had been capitalized based on 30% declining balance for property, plant and equipment, amortization for 2023 would be \$28,901 and \$23,559 for 2022, net book value of property, plant and equipment would be \$85,343 for 2023 and \$78,430 for 2022, excess of revenue over expenditures would have increased by \$6,913 for 2023 and \$23,360 for 2022 and net assets would have increased by \$78,430 for 2023 and \$55,070 for 2022.

AUDIT • TAX • ADVISORY

*Baker Tilly Sarnia LLP is a member of Baker Tilly Canada Cooperative, which is a member of the global network of Baker Tilly International Limited. All members of Baker Tilly Canada Cooperative and Baker Tilly International Limited are separate and independent legal entities.*

**INDEPENDENT PRACTITIONER'S  
REVIEW ENGAGEMENT REPORT cont'd...**

*Qualified Conclusion*

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Bluewater Gymnastics Club Sarnia Inc. as at June 30, 2023 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.

A handwritten signature in cursive script that reads "Baker Tilly Sarnia LLP".

**Sarnia, Ontario  
September 7, 2023**

**Chartered Professional Accountants  
Licensed Public Accountants**

**The Bluewater Gymnastics Club Sarnia Inc.**  
**Statement Of Operations**  
**For The Year Ended June 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Recreational programs	\$ 544,998	\$ 469,672
Invitational programs	171,339	185,252
Sports camps	120,991	98,735
Birthday parties	27,536	14,863
Registration fees	17,499	15,836
Gym rentals & special programs	15,938	12,998
Fundraising	11,360	20,105
Bingo	22,911	12,018
CEBA loan forgiveness (note 5)	20,000	-
Government assistance (note 9)	-	41,459
Ontario small business grant	-	10,000
Investment income	<u>16,700</u>	<u>760</u>
	<b>969,272</b>	<b>881,698</b>
<b>Expenses</b>		
Advertising	2,651	2,979
Bad debt	3,037	63
Bank charges	30,351	28,097
Board & committee fees	592	233
Building maintenance	20,016	7,894
Camp expenses	1,228	892
Equipment maintenance	14,227	15
Equipment purchases	35,814	46,919
Fundraising expense	301	-
Insurance	9,239	6,763
Invitational meet expenses	3,302	2,896
OFG registration	13,595	10,740
Office expenses	7,985	3,761
Office equipment rental	1,952	2,095
Professional development	11,246	5,400
Professional fees	23,212	5,085
Recreational meet expenses	1,893	2,051
Rent	25,046	25,046
Special projects	237	12,000
Supplies	2,542	1,851
Telephone	10,494	8,357
Travel	2,169	1,894
Utilities	20,453	15,991
Wages	<u>594,806</u>	<u>490,605</u>
	<b>836,388</b>	<b>681,627</b>
<b>Excess Of Revenue Over Expenditures</b>	<b><u>\$ 132,884</u></b>	<b><u>\$ 200,071</u></b>

**The Bluewater Gymnastics Club Sarnia Inc.**  
**Statement Of Change In Net Assets**  
**For The Year Ended June 30, 2023**

	Unrestricted Net Assets	Restricted Net Assets	2023	2022
Balance, Beginning	\$ 518,908	\$ 3,321	\$ 522,229	\$ 322,158
Excess of Revenue Over Expenditures	<u>127,919</u>	<u>4,965</u>	<u>132,884</u>	<u>200,071</u>
Balance, Ending	<u>\$ 646,827</u>	<u>\$ 8,286</u>	<u>\$ 655,113</u>	<u>\$ 522,229</u>

**The Bluewater Gymnastics Club Sarnia Inc.**  
**Statement Of Financial Position**  
**June 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current Assets		
Cash	\$ 219,301	\$ 648,068
Restricted cash	8,286	3,321
Investments (note 2)	625,468	108,955
Accounts receivable (note 3)	1,521	10,681
Prepaid expenses	<u>5,039</u>	<u>4,056</u>
	<u>\$ 859,615</u>	<u>\$ 775,081</u>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 38,945	\$ 36,156
Bonuses payable	14,106	-
Government remittances	10,569	13,613
Deferred revenue (note 4)	140,882	143,083
Current portion of long-term debt (note 5)	<u>-</u>	<u>60,000</u>
	<u>204,502</u>	<u>252,852</u>
<b>Net Assets</b>		
Unrestricted net assets	646,827	518,908
Restricted net assets (note 6)	<u>8,286</u>	<u>3,321</u>
	<u>655,113</u>	<u>522,229</u>
	<u>\$ 859,615</u>	<u>\$ 775,081</u>

Commitments (note 8)

On Behalf Of The Board

\_\_\_\_\_  
 Director

\_\_\_\_\_  
 Director

**The Bluewater Gymnastics Club Sarnia Inc.**  
**Statement Of Cash Flows**  
**For The Year Ended June 30, 2023**

	<b>2023</b>	<b>2022</b>
<b>Cash Provided By (Used For)</b>		
<b>Operating Activities</b>		
Net income	\$ 132,884	\$ 200,071
Net change in non-cash working capital items affecting operations:		
Accounts receivable	9,160	14,391
Prepaid expenses	(983)	(3,158)
Accounts payable and accrued liabilities	2,789	13,835
Bonus payable	14,106	-
Government remittances	(3,044)	7,980
Deferred revenue	(2,201)	65,032
	<u>152,711</u>	<u>298,151</u>
<b>Investing Activities</b>		
Purchase of investments	(625,468)	(108,955)
Maturity of investments	<u>108,955</u>	<u>108,195</u>
	(516,513)	(760)
<b>Financing Activities</b>		
Repayment of long term debt	<u>(60,000)</u>	-
<b>Increase (Decrease) In Cash Position</b>	<b>(423,802)</b>	<b>297,391</b>
<b>Cash Position, Beginning</b>	<b><u>651,389</u></b>	<b><u>353,998</u></b>
<b>Cash Position, Ending</b>	<b><u>\$ 227,587</u></b>	<b><u>\$ 651,389</u></b>

**Supplemental Cash Flow Information:**

<b>Represented By</b>		
Cash	\$ 219,301	\$ 648,068
Restricted Cash	<u>8,286</u>	<u>3,321</u>
	<u>\$ 227,587</u>	<u>\$ 651,389</u>



**The Bluewater Gymnastics Club Sarnia Inc.**  
**Notes To Financial Statements**  
**June 30, 2023**

---

**Nature Of Activities**

---

The Organization is incorporated by Letters patent as a corporation without share capital under Part III of the Ontario Business Corporations Act. The Organization provides affordable gymnastic programs to all children in the community. As a non-profit organization, it is exempt from tax under the Income Tax Act.

The Organization is governed by GymCanada (GCG) and Gymnastics Ontario (GO). GCG is the national governing body for the sport of gymnastics in Canada that oversees the conduct of coaches, athletes and clubs. GO is the provincial governing body that sets operational standards and practices, including those related to safety and ethical conduct in the sports.

---

**1. Significant Accounting Policies**

---

**Basis for Presentation**

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations and include the following significant accounting policies:

**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, which include bingo and lottery contributions. Gymnastic services, and registration are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income, camps, birthday parties and fundraising revenue is recognized as earned.

**Cash And Equivalents**

Cash and cash equivalents are comprised of cash on deposit and short-term investments which mature within 90 days of their date of issue.

**Income Taxes**

The Organization is exempt from the payment of income taxes under Section 149 (1) (l) of the Income Tax Act.

**Financial Instruments**

The Organization initially measures its financial instruments at fair value. The Organization subsequently measures all its financial instruments at amortized cost except for GIC's, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditures.

Financial instruments measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities and long-term debt.

Financial instruments measured at amortized cost are tested for impairment at the end of each year, and the amount of any write-down, if any, is recognized in excess of revenue over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement and the amount of reversal is recognized in excess of revenue over expenditures. The reversal may be recorded provided it is no greater than the amount that has previously been reported as a reduction in the asset and it does not exceed original cost.

**The Bluewater Gymnastics Club Sarnia Inc.**  
**Notes To Financial Statements**  
**June 30, 2023**

---

**1. Significant Accounting Policies cont'd...**

---

**Property, Plant And Equipment**

The Organization does not capitalize property, plant and equipment but instead expenses property, plant and equipment acquisitions in the year of purchase. The accounting policies and their basis of application is consistent with that of the preceding year. During the year, the Organization purchased \$35,814 (2022 - \$46,919) of property, plant and equipment.

**Use Of Estimates**

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-For-Profit Enterprises 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 revenues and expenses during the year. Significant items subject to such estimates and assumptions include the valuation allowances for accounts receivable and accruals for liabilities. Actual results could differ from those estimates.

---

**2. Investments**

**2023**

**2022**

Investments consists of the following:

Royal Bank of Canada GIC 1.00%, maturing March 30, 2023	\$ -	\$ 108,955
Bank of Nova Scotia GIC 5.00%, maturing November 7, 2023	<b>103,219</b>	-
Equitable Bank GIC 5.01%, maturing November 7, 2023	<b>103,226</b>	-
HSBC Bank Canada GIC 5.10%, maturing November 7, 2023	<b>103,284</b>	-
Laurentian Bank GIC 5.00%, maturing November 7, 2023	<b>103,219</b>	-
Effort Trust GIC 4.710%, maturing April 1, 2024	<b>20,279</b>	-
Home Trust Company GIC 4.730%, maturing April 1, 2024	<b>91,061</b>	-
Versabank GIC 4.730%, maturing April 1, 2024	<b>101,180</b>	-
	<b><u>\$ 625,468</u></b>	<b><u>\$ 108,955</u></b>

---

**3. Accounts Receivable**

**2023**

**2022**

Trade Receivables	\$ 2,692	\$ 10,681
Other Receivables	<b>1,624</b>	-
Allowance for doubtful accounts	<b>(2,795)</b>	-
	<b><u>\$ 1,521</u></b>	<b><u>\$ 10,681</u></b>

Notes continued on page 9....

**The Bluewater Gymnastics Club Sarnia Inc.**  
**Notes To Financial Statements**  
**June 30, 2023**

**4. Deferred Revenue**

	Opening Balance	Amount Recognized	Amount Received	Ending Balance
<b>June 30, 2023</b>				
Recreation programs	\$ 15,826	\$ 15,826	\$ 18,231	\$ <b>18,231</b>
Registration fees	23,932	23,932	23,088	<b>23,088</b>
Summer camps	83,965	83,965	94,363	<b>94,363</b>
Birthday parties	3,670	3,670	1,750	<b>1,750</b>
Invitational	-	-	3,450	<b>3,450</b>
Gift cards and miscellaneous	<u>15,690</u>	<u>15,690</u>	<u>-</u>	<u>-</u>
	\$ <u>143,083</u>	\$ <u>143,083</u>	\$ <u>140,882</u>	\$ <u><b>140,882</b></u>
<b>June 30, 2022</b>				
Recreation programs	\$ 32,686	\$ 32,686	\$ 15,826	\$ <b>15,826</b>
Registration fees	5,440	5,440	23,932	<b>23,932</b>
Summer camps	36,965	36,965	83,965	<b>83,965</b>
Birthday parties	-	-	3,670	<b>3,670</b>
Invitational	-	-	-	-
Gift cards and miscellaneous	<u>2,960</u>	<u>2,960</u>	<u>15,690</u>	<u><b>15,690</b></u>
	\$ <u>78,051</u>	\$ <u>78,051</u>	\$ <u>143,083</u>	\$ <u><b>143,083</b></u>

**5. Long-Term Debt**

As part of the emergency measures introduced by the federal government the company accessed the Canada Emergency Business Account (CEBA) loan. As a qualifying small business customer the company obtained a \$60,000 loan. Details of the loan are as follows: 0% interest until December 31, 2023; no principal payments due until December 31, 2023; principal repayments can be voluntarily made at any time without fees or penalties; \$20,000 loan forgiveness is available, provided outstanding balance is \$60,000 at December 31, 2020 and \$40,000 is repaid between January 1, 2021 and December 31, 2023; the balance was repaid in June 2023.

<b>6. Restricted Net Assets</b>	<b>Bingo Funds</b>	<b>Lottery Funds</b>	<b>2023</b>	<b>2022</b>
Balance, beginning	\$ 3,278	\$ 43	\$ 3,321	\$ 207
Revenue	22,911	-	22,911	12,018
Expenses	<u>17,923</u>	<u>23</u>	<u>17,946</u>	<u>8,904</u>
Balance, ending	\$ <u><b>8,266</b></u>	\$ <u><b>20</b></u>	\$ <u><b>8,286</b></u>	\$ <u><b>3,321</b></u>

The Bingo Fund receives contributions from the Sarnia Country Division. These contributions are to be used to pay for utilities.

The Lottery Fund receives contributions from lotteries held by the Organization. These contributions are to be used to pay for building rent, professional coaching wages, gymnastic equipment and utilities.

Notes continued on page 10...

## **7. Financial Instruments Risks Disclosures**

---

The main risks the Organization's financial instruments are exposed to are credit risk, liquidity risk, and interest rate risk each of which is discussed below.

### **Credit Risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk in the event of non-payment by their customers for their accounts receivable. The Organization believes there is minimal risk associated with these amounts due to the diversity of its customers and there are no significant concentrations of accounts receivable with any group of customers that are related to each other.

### **Liquidity Risk**

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable, accrued liabilities and bonus payable. The Organization expects to meet these obligations as they come due by generating sufficient cash flow from operations.

### **Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk, and other price risk.

#### *Currency Risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Organization's financial instruments are all in Canadian dollars and consequently the Organization has no currency risk.

#### *Interest Rate Risk*

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Organization invests in interest-bearing financial assets. The Organization is exposed to the risk that the value of such financial assets will fluctuate due to changes in the prevailing levels of market interest rates. The Organization's exposure to interest rate risk is concentrated in its GIC investments.

#### *Other Price Risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk and interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

### **Changes in Risk Assessments**

There have been no significant changes in these risk exposures from the prior year.

**The Bluewater Gymnastics Club Sarnia Inc.**  
**Notes To Financial Statements**  
**June 30, 2023**

---

**8. Commitments**

---

Under the terms of agreements for the office space, the Organization is committed to make minimum payments totaling \$18,988 over the next year.

---

**9. Government Assistance**

---

In the prior year, the Organization applied for and received the Canada Emergency Wage Subsidy (CEWS). The CEWS enabled the Organization to re-hire employees previously laid off as a result of COVID-19 and better position the Organization to resume normal operations following the crisis. Government assistance includes \$NIL (2022 - \$41,459) related to this subsidy.