

**FINANCIAL STATEMENTS**  
**For**  
**CANADIAN GYMNASTICS FEDERATION**  
*(Operating as Gymnastics Canada Gymnastique)*  
**For year ended**  
**MARCH 31, 2025**

**INDEPENDENT AUDITOR'S REPORT**

To the directors of

**CANADIAN GYMNASTICS FEDERATION**

*(Operating as Gymnastics Canada Gymnastique)*

*Opinion*

We have audited the financial statements of Canadian Gymnastics Federation (operating as Gymnastics Canada Gymnastique) (the Organization), which comprise the statement of financial position as at March 31, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025 and the results of its operations, its changes in net assets 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 Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

*Other Matter*

The financial statements of the Organization for the year ended March 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements dated September 6, 2024.

*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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

*Welch LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Ottawa, Ontario  
July 31, 2025.

**CANADIAN GYMNASTICS FEDERATION**  
(Operating as Gymnastics Canada Gymnastique)



**STATEMENT OF FINANCIAL POSITION**

**MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 1,131,367	\$ 619,079
Restricted investments (note 3)	318,000	318,000
Accounts receivable (note 4)	614,867	1,303,760
Inventory	65,823	31,782
Prepaid expenses	370,537	172,827
Short-term deposits held in trust (note 8)	<u>8,332</u>	<u>103,468</u>
	2,508,926	2,548,916
<b>TANGIBLE AND INTANGIBLE ASSETS</b> (note 6)	<u>175,709</u>	<u>203,118</u>
	<u>\$ 2,684,635</u>	<u>\$ 2,752,034</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities (note 7)	\$ 700,859	\$ 778,762
Athletes' funds (note 8)	8,332	58,694
Deferred revenue (note 9)	<u>100,000</u>	<u>108,064</u>
	809,191	945,520
<b>NET ASSETS</b>		
Unrestricted	1,699,735	1,603,396
Investment in tangible capital and intangible assets	<u>175,709</u>	<u>203,118</u>
	<u>1,875,444</u>	<u>1,806,514</u>
	<u>\$ 2,684,635</u>	<u>\$ 2,752,034</u>

Contingencies (note 10)

Approved on behalf of the Board:

  
 ..... Director  
  
 ..... Director

(See accompanying notes)

**CANADIAN GYMNASTICS FEDERATION**  
*(Operating as Gymnastics Canada Gymnastique)*

**STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>Revenue</b>		
Membership fees	\$ 2,737,600	\$ 2,755,778
Sport Canada funding	1,019,000	1,019,000
Own the Podium funding	772,250	790,057
Canadian Olympic Committee funding	380,000	315,000
Events	408,350	1,583,502
Self-funded programs	392,651	176,525
Coaching and sport development	183,870	142,368
Marketing, fundraising and merchandising	70,366	91,099
Other government funding	79,499	37,000
Other revenue	<u>138,868</u>	<u>139,017</u>
	<u>6,182,454</u>	<u>7,049,346</u>
<b>Expenses</b>		
National teams (schedule 1)	2,039,345	2,444,800
Salaries and benefits	2,172,383	1,933,597
Events	572,621	1,723,715
Administration (schedule 2)	732,771	768,652
Safe sport and case management legal costs	390,936	384,904
Education and sport development	128,143	139,656
Marketing, fundraising and merchandising	<u>77,325</u>	<u>80,240</u>
	<u>6,113,524</u>	<u>7,475,564</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>\$ 68,930</u>	<u>\$ (426,218)</u>

(See accompanying notes)

**CANADIAN GYMNASTICS FEDERATION**  
*(Operating as Gymnastics Canada Gymnastique)*

**STATEMENT OF CHANGES IN NET ASSETS**

**YEAR ENDED MARCH 31, 2025**

	<u>Unrestricted</u>	<u>Investment in tangible capital and intangible assets</u>	<u>Total 2025</u>	<u>Total 2024</u>
<b>Balance, beginning of year</b>	\$ 1,603,396	\$ 203,118	\$ 1,806,514	\$ 2,232,732
Excess (deficiency) of revenue over expenses	68,930	-	68,930	(426,218)
Purchase of tangible capital and intangible assets	(42,508)	42,508	-	-
Amortization of tangible capital assets	<u>69,917</u>	<u>(69,917)</u>	<u>-</u>	<u>-</u>
<b>Balance, end of year</b>	<u>\$ 1,699,735</u>	<u>\$ 175,709</u>	<u>\$ 1,875,444</u>	<u>\$ 1,806,514</u>

(See accompanying notes)

**CANADIAN GYMNASTICS FEDERATION**  
*(Operating as Gymnastics Canada Gymnastique)*

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2025**

	<u>2025</u>	<u>2024</u>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 68,930	\$ (426,218)
Items not involving cash:		
Amortization of tangible capital and intangible assets	<u>69,917</u>	<u>56,131</u>
	138,847	(370,087)
Changes in non-cash working capital components:		
Accounts receivable	688,893	(354,445)
Inventory	(34,041)	(31,782)
Prepaid expenses	(197,710)	126,083
Short-term deposits held in trust	95,136	(19,111)
Accounts payable and accrued liabilities	(77,903)	(8,975)
Athletes' funds	(50,362)	(25,663)
Deferred revenue	<u>(8,064)</u>	<u>(828,866)</u>
	554,796	(1,512,846)
<b>INVESTING ACTIVITIES</b>		
Tangible capital and intangible asset additions	<u>(42,508)</u>	<u>(176,505)</u>
<b>INCREASE (DECREASE) IN CASH</b>	512,288	(1,689,351)
<b>CASH, BEGINNING OF YEAR</b>	<u>619,079</u>	<u>2,308,430</u>
<b>CASH, END OF YEAR</b>	<u>\$ 1,131,367</u>	<u>\$ 619,079</u>

(See accompanying notes)

**CANADIAN GYMNASTICS FEDERATION**  
(Operating as Gymnastics Canada Gymnastique)

**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED MARCH 31, 2025**

**1. NATURE OF OPERATIONS**

Canadian Gymnastics Federation (operating as Gymnastics Canada Gymnastique) (the Organization) is incorporated as a not-for-profit organization without share capital under the laws of Canada. The objectives of the Organization are to direct high performance programs in the pursuit of international excellence, to guide the development of the other competitive programs and to facilitate gymnastics for all. The Organization is a not-for-profit organization and a Registered Amateur Athletic Association within the terms of the Income Tax Act (Canada) and as such is not subject to income taxes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Organization significant accounting policies are as follows:

*Revenue recognition*

The Organization follows the deferral method of accounting for contributions for not-for-profit organizations. Membership fees and government contributions are recorded in the period to which they relate. Other unrestricted revenues are recorded when they are received or become receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

*Sport Canada contributions*

Contributions received from the Federal Government amounting to \$1,870,749 (2024 - \$1,846,057) are subject to specific terms and conditions regarding the expenditure of the funds. The Organization's accounting records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada.

Adjustments to prior years' contributions are recorded in the year in which Sport Canada requests the adjustment.

Contributions are accounted for on an accrual basis. Any portion of a contribution that has not been spent for the purpose it was intended is considered refundable to the Federal Government.

*Inventory*

Inventory consists of manuals, skill posters and other materials held for resale and is measured at the lower of cost and net realizable value. Costs are assigned on a first-in, first-out basis.

*Tangible capital and intangible assets*

Tangible capital and intangible assets are stated at cost. Betterments which extend the estimated life of an asset are capitalized. When a tangible capital or intangible asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value. Amortization is provided using the following methods and annual rates:

Computer equipment	3 years straight line
Gym equipment	5 years straight line
Office equipment	5 years straight line
Computer software	3 years straight line

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.



**CANADIAN GYMNASTICS FEDERATION**  
*(Operating as Gymnastics Canada Gymnastique)*  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2025**

**2. SIGNIFICANT ACCOUNTING POLICIES - Cont'd.**

*Financial instruments*

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Organization has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Organization expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

*Use of estimates*

The preparation of these 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 revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

**3. RESTRICTED INVESTMENTS**

The Organization has established a fund under agreement with the Canadian Olympic Foundation (the Foundation) as approved by the Board of Directors. The purpose of the fund is to provide general support to the Organization.

Under the terms of the agreement, the fund is administered by the Foundation in accordance with their investment policy and granting policy. For investment purposes, the assets of the fund may be pooled with other amounts held by the Foundation are not held as separate trust funds. The Foundation provides the Organization with an annual accounting report on the fund on a calendar year basis.

The Organization may make contributions to the fund and is able to request the withdrawal of all or part of their contributions from the fund at any time. These contributions are recorded in restricted investments and accumulated investment income is maintained in the fund until officially distributed by the Foundation. The investment income and management fees are not recorded in these financial statements. Distributions received from the fund are recorded as revenue.

**CANADIAN GYMNASTICS FEDERATION**  
*(Operating as Gymnastics Canada Gymnastique)*  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2025**

**3. RESTRICTED INVESTMENTS - Cont'd.**

The following table shows the activity of the fund for the year ended March 31, 2025:

	<u>2025</u>	<u>2024</u>
Opening balance	\$ 400,387	\$ 365,192
Investment income earned	33,555	8,069
Investment management fees	(2,716)	(3,461)
Unrealized gain (loss)	(10,661)	31,977
Realized loss	(793)	(799)
Disbursements	(788)	(591)
Distributions	<u>(60,000)</u>	<u>-</u>
Closing balance	<u>\$ 358,984</u>	<u>\$ 400,387</u>
	<u>2025</u>	<u>2024</u>
Consisting of:		
Association contributions	\$ 308,000	\$ 308,000
Amount available for distribution	<u>50,984</u>	<u>92,387</u>
	<u>\$ 358,984</u>	<u>\$ 400,387</u>

The Ottawa Community Foundation (OCF) administers the (operating as Gymnastics Canada Gymnastique) Endowment Fund on behalf of the Organization. Principal donations to the fund totaling \$10,000 are permanently endowed. The Fund is designed to provide an annual disbursement to the Organization.

**4. ACCOUNTS RECEIVABLE**

	<u>2025</u>	<u>2024</u>
Cost sharing activities	\$ 118,387	\$ 404,173
Membership dues	449,089	389,045
Government contributions and tax refunds	<u>47,391</u>	<u>530,541</u>
	614,867	1,323,759
Provision for doubtful accounts	<u>-</u>	<u>(19,999)</u>
	<u>\$ 614,867</u>	<u>\$ 1,303,760</u>

**5. LINE OF CREDIT**

The line of credit is payable on demand and provides for advances of up to \$580,000. Interest is payable monthly, calculated at bank prime rate plus 1.875% per annum. All assets of the Organization are pledged as security for the line of credit. At year end, \$nil (2024 - \$nil) was drawn on the advance.

**CANADIAN GYMNASTICS FEDERATION**  
*(Operating as Gymnastics Canada Gymnastique)*  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2025**

**6. TANGIBLE CAPITAL AND INTANGIBLE ASSETS**

	<u>2025</u>		<u>2024</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Tangible capital assets:				
Computer equipment	\$ 56,294	\$ 36,919	\$ 19,375	\$ 25,701
Gym equipment	355,277	204,017	151,260	168,961
Intangible assets:				
Computer software	<u>65,953</u>	<u>60,879</u>	<u>5,074</u>	<u>8,456</u>
	<u>\$ 477,524</u>	<u>\$ 301,815</u>	<u>\$ 175,709</u>	<u>\$ 203,118</u>

Cost and accumulated amortization of tangible capital and intangible assets at March 31, 2024 amounted to \$435,017 and \$231,899, respectively.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

As at March 31, 2025 and 2024, there were no government remittances included in accounts payable and accrued liabilities, such as payroll-related remittances or harmonized sales tax.

**8. ATHLETES' FUNDS**

The Athletes' funds represent promotional fees received on behalf of individual athletes which are designated for the reimbursement of training and competition expenses of the athlete. The Organization holds the funds on the athletes' behalf in accordance with the guidelines of the Canada Revenue Agency.

Athletes' reserve fund cash is recorded at fair value on the statement of financial position as short-term deposits held in trust.

**9. DEFERRED REVENUE**

Deferred revenue consists of various event registrations and training camps collected in the current year that pertain to future years.

	<u>2025</u>	<u>2024</u>
Women's artistic gymnastics	\$ 25,000	\$ 45,000
Men's artistic gymnastics	50,000	30,000
Trampoline gymnastics	<u>25,000</u>	<u>33,064</u>
	<u>\$ 100,000</u>	<u>\$ 108,064</u>

**CANADIAN GYMNASTICS FEDERATION**  
(Operating as Gymnastics Canada Gymnastique)  
**NOTES TO THE FINANCIAL STATEMENTS - Cont'd.**  
**YEAR ENDED MARCH 31, 2025**

**10. CONTINGENCIES**

The Organization is involved in certain legal matters and litigation including one uncertified class action claim. 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. The Organization 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 the Organization from the resolution of these claims will be accounted for in the periods in which the claims are resolved.

**11. FINANCIAL RISKS AND CONCENTRATION OF RISK**

The Organization is exposed to various risk through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations at March 31, 2025.

i) *Liquidity risk*

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

ii) *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 with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

At year-end, \$nil (2024 - \$19,999) was allowed for in accounts receivable.

iii) *Market risk*

The Organization believes it is not exposed to significant market, interest rate, currency or other price risks.

The Organization believes that its financial risks are appropriately mitigated and do not pose a significant risk to its operations. There have been no significant changes in these risks or to the policies, procedures and methods used to manage these risks in the year.

There have been no significant changes to these risks exposures from the prior year.

**12. COMPARATIVE FIGURES**

Certain comparative information has been reclassified, where applicable, to conform to the financial statement presentation used in the current year. The changes do not affect the deficiency of revenue over expenses of the prior year.

## CANADIAN GYMNASTICS FEDERATION

*(Operating as Gymnastics Canada Gymnastique)*

## UNAUDITED SCHEDULE OF NATIONAL TEAMS EXPENSES

YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
Women's Artistic Program	\$ 844,633	\$ 921,875
Trampoline Program	544,574	807,264
Rhythmic Program	149,844	233,815
Men's Artistic Program	335,545	301,889
Acro Program	79,888	11,267
Training centres and uniforms	<u>84,861</u>	<u>168,690</u>
	<u>\$ 2,039,345</u>	<u>\$ 2,444,800</u>

## CANADIAN GYMNASTICS FEDERATION

*(Operating as Gymnastics Canada Gymnastique)*

## UNAUDITED SCHEDULE OF ADMINISTRATION EXPENSES

YEAR ENDED MARCH 31, 2025

	<u>2025</u>	<u>2024</u>
Amortization of capital assets	\$ 69,917	\$ 56,131
Annual general meeting	1,733	59,973
Bad debts (recoveries)	(10,557)	(10,934)
Bank charges, merchant fees and interest	15,909	27,129
Board and standing committees	75,459	59,047
Domestic and international travel - senior management	12,192	4,491
Information technology	44,140	93,242
Insurance, accounting and audit services	246,043	180,170
Legal fees - operations	8,074	35,520
General office	31,595	24,367
Office facility	31,871	49,621
Human resources and professional development	88,149	154,689
Non-refundable commodity taxes	99,031	18,934
Telephone and cell	<u>19,215</u>	<u>16,272</u>
	<u>\$ 732,771</u>	<u>\$ 768,652</u>