



Gymnastics BC

2019-20 Financial Report

For the fiscal year ended June 30, 2020:

Gymnastics BC's financial results for the fiscal year ended June 30, 2020 reflect a net excess of revenues over expenditures of \$30,397 (prior year net deficiency \$15,593).

Cash flow and financial operations remain stable.

STATEMENT OF FINANCIAL POSITION / BALANCE SHEET

GBC's cash position remains stable, reflected in an available unrestricted cash balance of \$476,534 and \$67,947 in restricted funds (Gaming grant for events cancelled in 2020 and Judges Cup expenses). The Odlum Brown investment account continues to experience moderate growth with a current value of \$346,381 (\$342,239 in the prior year).

In addition, six Zone Bank Accounts are held in trust with a cumulative balance of \$74,862 (prior year \$130,565).

Gymnastics BC's Endowment Fund held with the Vancouver Foundation has performed well since its establishment in December 2008. At June 30, 2020, the market value was approximately \$227,606, an increase of \$2,944 from June 30, 2019.

Accounts receivable have decreased from \$259,766 in the prior year to \$142,239 as of June 30, 2020.

GBC owns trampoline and artistic equipment that is available for rental for competitions in BC. The artistic equipment held for resale has increased from \$170,470 in the prior year to

\$205,430 at June 30, 2020. The equipment remains in inventory in good condition and available for sale to member clubs. The increase is due to our inability to sell the equipment at the end of the 2020 season due to the pandemic.

Prepaid expenses have decreased from \$108,431 in the prior year to \$17,002 at June 30, 2020. The decrease is due to the timing of events as the 2019 Trampoline Canadian Championships was held in July 2019 while no events were planned after the 2020 financial year end. The prepaid balance at year end relates to insurance premiums paid for the 2021 fiscal year, a payroll retainer held by Sport BC, as well as general office and lease payment amounts.

Property and equipment have decreased from \$241,605 in the prior year to \$190,756 at June 30, 2020 by virtue of amortization on trampoline equipment, office equipment, computer hardware and equipment acquired through the Capital Gaming Grant program.

Accounts payable have decreased from \$271,882 in the prior year to \$161,387 at June 30, 2020 due to the timing of general purchases and equipment purchases before year end. All accounts are current.

Deferred Revenue has decreased from \$211,750 in the prior year to \$89,790 at June 30, 2020. This amount includes deferred membership revenue, coaching education revenue, event sanctioning fees, government funding that was received in the current fiscal year to be realized in the next fiscal year.

STATEMENT OF OPERATIONS / INCOME STATEMENT

For the fiscal year ended June 30, 2020

REVENUE - \$2,264,880

Membership Fees: GBC generated \$1,524,790 in membership fees, a decrease of \$230,201 over last year. GBC experienced a drop in membership due to the pandemic. Of this amount, \$308,877 is payable directly to Gymnastics Canada and \$475,711 is paid in insurance premiums for the benefit of all full member clubs.

Grants: All anticipated grants were received resulting in revenues of \$312,859, an increase from \$269,483 received in the prior year.

Technical Programs: GBC Technical Committees and staff have generated \$264,266 in revenues compared to \$269,483 in the prior fiscal year. The Women's Artistic Program, Trampoline, and Men's Artistic Program saw increases, while NCCP, Gymnastics for All, and revenues related to Canadian Championships and Western Canadian Artistic saw a decrease in revenue generation activity. The decrease in technical programs revenue is due to the cancellation of activities in 2020 due to the pandemic.

Fundraising, resource sales and other has seen a decrease from \$169,595 in the prior year to \$45,704 in the current year because of a decrease in equipment rental activity due to the pandemic.

Special Hosted Events: Event revenues of \$14,161 in the current year is a decrease from \$59,031 in the prior year due to the cancellation of BC Championships. Revenues in this line item are associated with the 50th Anniversary Celebrations.

Equipment sales have decreased from \$45,964 in the prior year to \$0 in the current year as there was no equipment sold in June due to the pandemic.

EXPENSES - \$2,234,483

Technical Programs: Technical program expenses decreased in this fiscal year to \$375,161 compared to prior year expenses of \$608,966. This decrease is due to national events being cancelled in 2020. Activities in the other programs— NCCP, MAG, WAG, Trampoline, and Gymnastics for All – were cancelled after March 15, 2020.

Special hosted events: Special hosted event expenses increased to \$52,292 in the current year from \$38,163 in the prior year. This increase is due to hosting the 50th Anniversary Gala in November 2019. The remainder of the expense relates to non-refundable payments made towards BC Championships and other hosted events.

Administration: An increase from \$807,532 in the prior year to \$857,558 for the year ended June 30, 2020 was realized primarily due to an increase in bad debt.

Membership Services: Membership services realized an increase in expenditures from \$776,395 in the prior year to \$861,650 for the year ended June 30, 2020. The increase is mostly due to an increase in insurance premiums. Membership Services include, but is not limited to Gymnastics Canada fees, insurance premiums, Socan/Resound fees, GBC awards and Gala, Sport BC membership and equipment rental.

GYMNASTICS B.C.

Vancouver, B.C.

FINANCIAL STATEMENTS

June 30, 2020



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INDEPENDENT AUDITOR'S REPORT

To the Members of Gymnastics B.C.:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gymnastics B.C. (the "association"), which comprise the statement of financial position as at June 30, 2020, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes and schedules 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 association as at June 30, 2020, and its results of 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 association 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 association'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 association or to cease operations, or has no realistic alternative but to do so.

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



Report on Other Legal and Regulatory Requirements

As required by the *Societies Act* (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
October 22, 2020

GYMNASTICS B.C.

STATEMENT OF OPERATIONS

For the year ended June 30, 2020

	2020	2019
	\$	\$
Revenues		
Membership fees	1,524,790	1,294,589
Grants (Notes 8, 9 and 10)	312,859	272,265
Technical programs operations, Schedule 1	264,266	269,483
Gaming (Note 8)	103,100	163,500
Fundraising, resource sales and other	45,704	169,595
Special hosted events operations, Schedule 2	14,161	59,031
Equipment sales	-	45,964
	<u>2,264,880</u>	<u>2,274,427</u>
Expenditures		
Technical programs operations, Schedule 1	375,161	608,966
Special hosted events operations, Schedule 2	52,292	38,163
	<u>427,453</u>	<u>647,129</u>
Administrative		
Amortization	35,630	39,840
Bad debts	76,059	12,767
Marketing and communications	18,858	30,406
Meetings	17,161	17,688
Office and miscellaneous	53,906	49,898
Professional fees	22,474	25,301
Rent	79,886	70,003
Salaries, consultants and benefits	547,146	552,344
Telecommunications	6,438	9,285
	<u>857,558</u>	<u>807,532</u>
Member services		
Affiliations	308,877	450,811
Insurance	475,711	221,039
Membership services	77,062	94,545
	<u>861,650</u>	<u>766,395</u>
Other		
Cost of equipment	1,496	68,964
Loss on disposal of property and equipment	15,220	-
Writedown of equipment held for resale	71,106	-
	<u>87,822</u>	<u>68,964</u>
	<u>2,234,483</u>	<u>2,290,020</u>
Excess (deficiency) of revenues over expenditures	30,397	(15,593)

The accompanying notes and schedules are an integral part of these financial statements.

GYMNASTICS B.C.

STATEMENT OF CHANGES IN NET ASSETS

For the year ended June 30, 2020

	Invested in property and equipment	Judges cup	Unrestricted	Total 2020	Total 2019
	\$	\$	\$	\$	\$
Net assets, beginning	104,452	20	721,206	825,678	841,271
Excess (deficiency) of revenues over expenditures	-	-	30,397	30,397	(15,593)
Amortization of property and equipment	(35,630)	-	35,630	-	-
Amortization of deferred contribution	27,186	-	(27,186)	-	-
Judges support	-	1,427	(1,427)	-	-
Disposal of property and equipment	(15,220)	-	15,220	-	-
Net assets, ending	80,788	1,447	773,840	856,075	825,678

The accompanying notes and schedules are an integral part of these financial statements.

GYMNASTICS B.C.

STATEMENT OF FINANCIAL POSITION

June 30, 2020

	2020	2019
	\$	\$
Assets		
Current		
Cash	476,534	389,782
Restricted cash (Note 2)	67,947	456
Short term investments (Note 3)	346,381	342,239
Receivables (Note 4)	142,239	259,766
Equipment held for resale (Note 5)	205,430	170,470
Prepaid expenditures	17,002	108,431
	<u>1,255,533</u>	<u>1,271,144</u>
Property and equipment (Note 6)	190,756	241,605
	<u>1,446,289</u>	<u>1,512,749</u>
Liabilities		
Current		
Payables and accruals (Note 7)	161,387	271,882
Deferred revenue	89,790	211,750
Deferred contributions (Note 8)	309,037	203,439
	<u>560,214</u>	<u>687,071</u>
Canada Emergency Business Account (Note 9)	30,000	-
	<u>590,214</u>	<u>687,071</u>
Net Assets		
Invested in property and equipment	80,788	104,452
Judges cup	1,447	20
Unrestricted	773,840	721,206
	<u>856,075</u>	<u>825,678</u>
	<u>1,446,289</u>	<u>1,512,749</u>

Commitments (Note 15)

Impact of COVID-19 (Note 17)

Approved by Directors:





The accompanying notes and schedules are an integral part of these financial statements.

GYMNASTICS B.C.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2020

	2020	2019
	\$	\$
Cash flows related to operating activities		
Excess (deficiency) of revenues over expenditures	30,397	(15,593)
Adjustments for items which do not affect cash:		
Amortization of property and equipment	35,630	39,840
Amortization of deferred contributions	(27,186)	(18,466)
Loss on disposal of property and equipment	15,220	-
Writedown of equipment held for resale	71,106	-
	<u>125,167</u>	<u>5,781</u>
Changes in non-cash working capital:		
Receivables	117,527	(80,835)
Equipment held for resale	(106,066)	(66,824)
Prepaid expenditures	91,429	(68,749)
Payables and accruals	(110,495)	65,320
Deferred revenue	(121,960)	98,108
Deferred contributions	132,783	2,841
	<u>128,385</u>	<u>(44,358)</u>
Cash flows related to investing activities		
Purchase of property and equipment	-	(20,851)
Purchase of short term investments	(4,142)	(5,101)
	<u>(4,142)</u>	<u>(25,952)</u>
Cash flows related to financing activity		
Proceeds from Canada Emergency Business Account	30,000	-
Net increase (decrease) in cash	154,243	(70,310)
Cash, beginning	390,238	460,548
Cash, ending	544,481	390,238
Cash consists of:		
Cash	476,534	389,782
Restricted cash	67,947	456
	<u>544,481</u>	<u>390,238</u>

The accompanying notes and schedules are an integral part of these financial statements.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

Gymnastics B.C. (the "association") was incorporated in 1969 under the laws of British Columbia. The association is an autonomous, formally constituted, not-for-profit, volunteer society responsible for the regulation of all areas and levels of gymnastics participation within B.C. and for the governance of the province-wide development of gymnastics sports. The association is the provincial voice for gymnastics on behalf of its full member clubs and affiliated recreation and education members.

The association is a not-for-profit organization registered under the *Societies Act* (British Columbia). The association is exempt from income tax under the *Income Tax Act*.

1. 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:

Basis of presentation

These financial statements include only the accounts of the association's head office and do not include the results of operations of the individual zones, which operate on an autonomous basis.

Fund accounting

The resources and operations of the association have been segregated for accounting and financial reporting purposes into the following funds:

The Invested in Property and Equipment Fund accounts for the association's investment in long-lived assets for program delivery.

The Judges Cup Fund is internally restricted for use in the support of women judges of the association. These funds are not available for purposes other than those specified without approval of the Board of Directors.

The Unrestricted Fund reports the association's program and events operations and its administrative activities.

Equipment held for resale

Equipment held for resale is measured at the lower of cost and net realizable value. Cost is determined on a specific item basis. Cost includes all costs of purchase and other costs incurred in bringing the equipment to its present location and condition.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

1. Significant accounting policies (continued)

Property and equipment

Property and equipment are carried at cost less accumulated amortization. Amortization is calculated annually as follows:

Gymnastics equipment	7 years straight-line
Storage trailers	10 years straight-line
Office equipment	20% declining balance
Computer hardware	30% declining balance
Leasehold improvements	straight-line over the term of the lease
Computer software	100% declining balance

except in the year of acquisition or disposal, at which time amortization is provided for at one-half the annual rate.

Revenue recognition

The association follows the deferral method of accounting for revenue. Contributions restricted for the purchase of property and equipment are deferred and recognized as revenue on the same basis as the amortization related to the acquired assets. Other restricted contributions are recorded as revenue in the year in which the related expenditures 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.

Deferred revenue consists of course and membership fees received during the period which relate to programs and expenditures of the next fiscal year.

Deferred contributions consist of grants received during the period which relate to programs and expenditures of the next fiscal year, and contributions for property and equipment acquisitions.

Government funding is recognized when there is reasonable assurance that the association has complied and will continue to comply with all conditions.

Government funding for operating expenses under the Government of Canada's COVID-19 response programs is recorded as grants revenue when receivable.

Forgivable loans comprise government funding that is forgiven on the condition that the association continues to meet certain requirements specified at the time of entitlement. Forgivable loans are recognized as a grant when the association becomes entitled to receipt. The grant is presented in the statement of operations as grants revenue. If conditions arise that would cause the forgivable loan to be repayable, the association recognizes a liability to repay the funding in the period the conditions occurred. Loans from governments and their agencies having normal commercial characteristics are not considered to be government funding.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

1. Significant accounting policies (continued)

Financial instruments

Measurement of financial instruments

The association measures its financial assets and financial liabilities at fair value at the acquisition date, except for financial assets and financial liabilities acquired in related party transactions. Transaction costs related to the acquisition of financial instruments subsequently measured at fair value are recognized in excess (deficiency) of revenues over expenditures when incurred. The carrying amounts of financial instruments not subsequently measured at fair value are adjusted by the amount of transaction costs directly attributable to the acquisition of the instrument.

The association subsequently measures all of its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are assessed for indications of impairment at the end of each reporting period. If impairment is identified, the amount of the write-down is recognized as an impairment loss in excess (deficiency) of revenues over expenditures. Previously recognized impairment losses are reversed when the extent of the impairment decreases, provided that the adjusted carrying amount is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenues over expenditures.

Contributed services, equipment and other materials

During the year, volunteers contributed a significant amount of their time and services to assist the association in carrying out its gymnastics and development activities. Because of the difficulty of determining the fair value of these services, contributed services are not recognized in these financial statements.

Contributed services, equipment and other materials are recognized in these financial statements when fair value can be reasonably estimated. There are no contributed services, equipment or other materials recognized in these financial statements.

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 at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

2. Restricted cash

	2020	2019
	\$	\$
Gaming account	66,500	436
Judges cup fund account	<u>1,447</u>	<u>20</u>
	<u>67,947</u>	<u>456</u>

The Gaming account funds are externally restricted by the Community Gaming Grants Branch (the "Branch") for the specific programs applied for by the association and approved by the Branch. The grant received for the 2020 fiscal year included \$66,500 which was specifically allocated to the Artistic Canadian Championships, the Trampoline Canadian Championships and the Artistic Western Championships. As these events did not occur prior to the reporting date due to the COVID-19 pandemic, the use of the related funds is restricted by the terms of the gaming grant.

The Judges cup fund account is internally restricted for use in the support of women judges of Gymnastics B.C. These funds are not available for purposes other than those specified without the approval of the Board of Directors.

3. Short term investments

Short-term investments are money market investments which are cashable at any time.

4. Receivables

	2020	2019
	\$	\$
Receivables	241,190	288,706
Allowance for doubtful accounts	<u>(98,951)</u>	<u>(28,940)</u>
	<u>142,239</u>	<u>259,766</u>

5. Equipment held for resale

Equipment held for resale represents gymnastics equipment purchased by the association for use in gymnastics events hosted during the year. It is management's intention to sell this equipment to its member clubs in the upcoming year and, as such, no amortization has been taken on this equipment.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

6. Property and equipment

	Cost	Accumulated amortization	2020 Net carrying amount	2019 Net carrying amount
	\$	\$	\$	\$
Gymnastics equipment	182,323	62,136	120,187	161,453
Storage trailers	92,583	23,146	69,437	78,695
Office equipment	13,664	12,772	892	1,115
Computer hardware	24,290	24,050	240	342
Leasehold improvements	34,204	34,204	-	-
Computer software	11,276	11,276	-	-
	<u>358,340</u>	<u>167,584</u>	<u>190,756</u>	<u>241,605</u>

7. Payables and accruals

	2020	2019
	\$	\$
Trade payables	145,410	254,982
Government remittances payable	<u>15,977</u>	<u>16,900</u>
	<u>161,387</u>	<u>271,882</u>

8. Deferred contributions

	Balance, beginning of year	Current year contributions	Revenue recognized	Balance, end of year
	\$	\$	\$	\$
Core government grant	66,285	331,422	(265,138)	132,569
Capital project grant	137,154	-	(27,186)	109,968
Gaming grant	<u>-</u>	<u>169,600</u>	<u>(103,100)</u>	<u>66,500</u>
	<u>203,439</u>	<u>501,022</u>	<u>(395,424)</u>	<u>309,037</u>

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

8. Deferred contributions (continued)

Core government grant funds are restricted for specific programs including increasing gymnastics participation in the province, athlete development and coaching development.

Capital project grant funds are restricted for the purchase of property and equipment and are recognized as revenue as the related assets are amortized.

Gaming grant funds are restricted for specific programs and events in accordance with the terms of the gaming grant approved by the B.C. Community Gaming Grants Branch each year.

9. Canada Emergency Business Account

As part of the emergency measures introduced by the federal government due to the COVID-19 pandemic, the association has accessed the Canada Emergency Business Account (CEBA). As a qualified entity, the association obtained a \$40,000 loan of which a forgivable \$10,000 portion was treated as government funding and recognized as grant revenue in the current fiscal year. There are no payments required or expected within the next year. Details of the loan are as follows:

- ♦ 0% interest until December 31, 2022.
- ♦ No principal payments due until December 31, 2022.
- ♦ Principal repayments can be voluntarily made at any time without fees or penalties.
- ♦ \$10,000 loan forgiveness is available, provided outstanding balance is \$40,000 at December 31, 2020 and \$30,000 is paid back between January 1, 2021 and December 31, 2022.
- ♦ If the balance is not paid by December 31, 2022, the remaining balance will be converted to a 3-year term loan bearing interest at 5% per annum, effective January 1, 2023.
- ♦ The full balance must be repaid no later than December 31, 2025.

10. Government assistance

Temporary Wage Subsidy (TWS)

The association reduced its payroll remittances by \$10,534 (2019: \$nil) as per the TWS program during the year ended June 30, 2020, recorded as grant revenue.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

11. Endowment fund

The Gymnastics B.C. Endowment Fund was established with the Vancouver Foundation on December 18, 2008 with a contribution from the association of \$100,000. The association may encroach upon up to 50% of the capital contributed to the fund at the discretion of the Board of Directors. However, any encroachments must be reimbursed before further encroachments are made. The remaining 50% of the fund is required to be maintained as an investment. The association does not reflect the fund in its financial statements because it lacks discretion over the investment of the capital of the fund. Income earned in the fund may be distributed to qualified donees for purposes of supporting gymnastics in British Columbia, or may be reinvested in the endowment capital at the discretion of the association's Board of Directors. No distributions were made in the years ended June 30, 2020 and 2019. The quoted market value of the securities underlying the fund's capital as at June 30, 2020 was \$227,606 (2019: \$224,662).

12. Trust accounts

The association maintains separate bank accounts and accounting records for Zones 1, 2, 3, 5, 7, and 8. These funds are held in trust for use in activities specifically determined by each zone. These balances are not included in the association's financial statements.

	2020	2019
	\$	\$
Total trust assets	74,862	130,565
Total trust liabilities	74,862	130,565

13. Remuneration of directors, employees and contractors

The *Societies Act* (British Columbia) requires the association to disclose the remuneration paid to the directors during the year and the remuneration paid to the 10 most highly remunerated employees and contractors whose remuneration during the year, including benefits, was at least \$75,000.

During the year ended June 30, 2020, a total of \$208,281 was paid to two employees (2019: \$292,733 to three employees) and five directors received remuneration for coach and judge education course delivery or training camp activities in the amount of \$3,260 (2019: \$2,260 to five directors).

No remuneration was paid to any director in their capacity as a director in the years ended June 30, 2020 and 2019.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

14. Financial instruments

Items that meet the definition of a financial instrument include cash, restricted cash, short-term investments, receivables, payables and accruals and the Canada Emergency Business Account.

It is management's opinion that the association is not exposed to significant liquidity risk, market risk, currency risk, interest rate risk or other price risk arising from these financial instruments. The following is a summary of the significant financial instrument risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The association is exposed to credit risk in connection with its receivables, which consist of amounts owing by its members. In order to reduce its credit risk, the association reviews a new member's credit history before extending credit and conducts regular reviews of its existing members' credit performance. Credit limits are established for its members. An allowance for doubtful accounts is established based upon the credit risk of specific accounts, historical trends, and other information. The association's credit risk is limited due to the large number of members. The association's maximum credit risk exposure related to its receivables is represented by their carrying amount.

15. Commitments

The association is obligated under an operating lease to February 29, 2024 for its office premises requiring the following lease payments:

	\$
2021	65,600
2022	66,600
2023	67,500
2024	45,500
	<hr/>
	245,200
	<hr/>

16. Comparative figures

Certain 2019 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2020.

GYMNASTICS B.C.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2020

17. Impact of COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the association's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the association's operations.

In compliance with public health mandates, several courses, classes and the events of the association's competitive season, which was to run from March to June of 2020, were cancelled and member clubs were forced to close or severely reduce operations from the time the public health emergency was declared. This has resulted in decreased revenues and expenditures associated with the competitive season and reduced membership fees.

New public health guidelines published in July and August 2020 have allowed for a limited reopening of member clubs and the resumption of some activities, however, it is not possible to estimate when the association and its member clubs will return to normal operations.

The association is continually monitoring and assessing new information and recommendations from health and government authorities as it becomes available and will continue to respond accordingly. The extent of the impact of this outbreak and related containment measures on the association's operations cannot be reliably estimated as the date the financial statements were authorized for issue, on October 22, 2020.

GYMNASTICS B.C.

SCHEDULE OF TECHNICAL PROGRAMS OPERATIONS

For the year ended June 30, 2020

	2020	2019
	\$	\$
Revenues		
NCCP	136,870	141,340
Women's Artistic Gymnastics	53,079	41,991
Trampoline Gymnastics	40,014	15,867
Canadian Championships	20,827	36,629
Men's Artistic Gymnastics	13,212	7,760
Gymnastics For All	264	4,222
Western Canadian Championships	-	21,674
	<u>264,266</u>	<u>269,483</u>
Expenditures		
NCCP	130,641	144,606
Women's Artistic Gymnastics	78,792	94,105
Trampoline Gymnastics	47,056	70,756
Men's Artistic Gymnastics	51,968	54,610
Gymnastics For All	15,761	19,581
Integrated Performance System (IPS)	9,375	10,849
Team BC Programs	41,568	214,459
	<u>375,161</u>	<u>608,966</u>
	(110,895)	(339,483)

The accompanying notes are an integral part of these financial statements.

GYMNASTICS B.C.

SCHEDULE OF SPECIAL HOSTED EVENTS OPERATIONS

For the year ended June 30, 2020

	2020	2019
	\$	\$
Revenues		
50th Anniversary	13,576	-
B.C. Gymnaestrada	585	19,679
B.C. Championships	-	39,352
	<u>14,161</u>	<u>59,031</u>
Expenditures		
50th Anniversary	36,409	1,887
B.C. Gymnaestrada	155	8,708
B.C. Championships	12,856	27,568
Other hosted events	2,872	-
	<u>52,292</u>	<u>38,163</u>
	(38,131)	20,868

The accompanying notes are an integral part of these financial statements.