

# *Ottawa Gymnastics Centre Annual General Meeting Package*



Wednesday, November 24, 2021 6:30 pm—8:00 pm

Zoom Virtual Presentation



## **Ottawa Gymnastics Centre Annual General Meeting**

Wednesday, November 24,  
2021

Zoom Virtual Meeting  
6:30 p.m. to 8:00 p.m.

### **AGENDA**

1. Call to order
2. Opening address
3. Verification of voting members and Determination of Quorum
4. Appointment of recording secretary and voting scrutineers
5. Adoption of Agenda
6. Adoption of minutes of last annual general meeting
7. Reports
8. Report on Financial Statements
9. Confirmation of Financial Statements
10. Appointment of the Auditors for the following year
11. Confirmation of acts of Board of Directors
12. Motion to the annual general meeting regarding by-laws and other matters
13. Election of Board of Directors
14. New Business
15. Chairperson's comments
16. Adjournment

***Our mission is to foster enthusiasm for gymnastics while building foundation for sport and life***



**Ottawa Gymnastics Centre**  
**Annual General Meeting**  
Wednesday, December 2, 2020  
By Video Conference  
6:30 p.m. to 8:00 p.m.  
**Meeting Minutes (draft for approval)**

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*Our mission is to foster enthusiasm for gymnastics while building foundation for sport and life*

**Board Members in attendance:**

Nancy Crump    Kelly Belanger    Tania Gray  
William Gannon    Janeen Speer    Sheralea Nadeau  
Heather Wilson    Colin Bendell    Marie-Eve Noel

**Regrets**

None

**OGC Executive Management in Attendance:**

Sureen Gosal  
Mike Vieira

**1. Call to order**

- Nancy Crump, President, called the meeting to order at 6:30 pm.

**2. Opening address**

- Nancy Crump, President, Thanked the existing Board Members, and announced the appointment of Colin Bendell
- Mike Viera reviewed the voting process for motions and the elections.

**3. Verification of voting members and determination of quorum**

- With 9 of 9 board members present, it was determined that there was a quorum of Board members
- With a total of 21 voting members present, it was determined that there was a quorum of voting members

**4. Appointment of recording secretary and voting scrutineer(s)**

- Nancy Crump, President, appointed Tania Gray as recording secretary.
- Nancy Crump, President, appointed Sureen Gosal and Mike Vieira as scrutineers.

**5. Adoption of agenda**

- Upon motion made by Janeen Spear, seconded by Anatheia Theoret and carried, the agenda was approved

**6. Adoption of minutes of last annual general meeting**

- [https://docs.google.com/document/d/14\\_rllu63y98PQunJJeXGOV19JLc3GgCBtkh\\_HlwYNwE/edit?usp=sharing](https://docs.google.com/document/d/14_rllu63y98PQunJJeXGOV19JLc3GgCBtkh_HlwYNwE/edit?usp=sharing)
- Upon motion made by Elizabeth Girgis seconded by Sheralea Nadeau and carried, the minutes of the AGM held on November 12<sup>th</sup> 2019 were approved with changes identified.

**7. Reports**

**• Chairperson's Report**

- 2621 Members, OGC is the 4th largest club in Ontario.
- Despite the pandemic, we have positive financial results.
- Hosted 1 WAG and 1 MAG Qualifiers

- Succession Planning - welcomed Mike Vieira in September 2019 as Assistant Director.
- Policy Development
- Investment in equipment - Video Playback System
- Governance - changed terms of Board Members to 3 years.
- Revenue Diversification - Car Raffle
- Nancy Crump President gave an overview of the past year regarding how the gym handled the COVID-19 Pandemic. Please see the AGM Package for full details. <https://www.ottawagymnasticscentre.ca/sites/files/2020%20AGM%20Package.pdf>

#### **8. Report on Financial Statements**

- Colin Morrison presented the Report of Financial Statements.
- Colin thanked the Finance Committee members - Marie-Eve Noel, Billy Gagnon, Nancy Crump.
- 2019/2020 Audit Report prepared by Baker Tilley. Please see the AGM Package for full details. <https://www.ottawagymnasticscentre.ca/sites/files/2020%20AGM%20Package.pdf>

#### **9. Confirmation of Financial Statements**

- Upon motion made by Sheralea Nadeau, seconded by Heather Wilson, all were in favour and the motion carried - the financial statements for 2019-2020 were approved.

#### **10. Appointment of the Auditors for the following year**

- Upon motion made by Colin Morrison, seconded by Elisabeth Gringas, all were in favour and the motion carried, the Board of Directors will be sending out a RFP to review potential candidates for the 2019-2020 fiscal year.

#### **11. Confirmation of acts of Board of Directors**

- Upon motion made by Sean Kirkwood, seconded by Peter Czerny, all were in favour and the motion carried, the acts of the OGC's Board of Directors in 2019-2020 were confirmed.

#### **12. Motion of the annual general meeting regarding by-laws and other matters**

- There were no motions regarding by-laws and other matters.

#### **13. Election of Board of Directors**

- Each nominee was asked to present a short biography
- According to paragraph 3.1.1 of the OGC's bylaws, "The Board shall consist of between seven (7) and (9) Voting Directors
- There are 5 positions open for election. The following 6 nominations were received for consideration:
  - Janeen Speer – Returning
  - Tania Gray – Returning
  - Nancy Crump – Returning
  - Billy Gannon – Returning
  - Martin Rajotte – Seeking New Position
  - Elisabeth Girgis-McEwan – Seeking New Position
- The Board of Directors 2020-21 will consist of 9 Voting Directors: Kelly Belanger, Nancy Crump, Billy Gannon, Tania Gray, Janeen Speer, Sheralea Nadeau, and Heather Wilson, Martin Rajotte, Colin Bendall..

#### **14. New Business**

- No new business

#### **15. Chairperson's comments**

- Directors' Service Recognition  
Colin Morrison - 3 years

Marie-Eve Noel - 2 years

- Best wishes to all OGC athletes, coaches, parents, volunteers and staff for a happy and healthy 2020/2021.

**16. Adjournment**

- Upon motion made by Kelly Belanger, seconded by Heather Wilson, and carried, the OGC's Annual General Meeting was adjourned at 7:36 pm



## **OTTAWA GYMNASTICS CENTRE 2021 PROPOSED BY-LAW CHANGES**

No proposed by-law changes were submitted for the 2021 AGM.



## **2021 OGC Board Director Nomination List**

### **Mark Nam Nguyen**

I am Mark Nam Nguyen and together with my family, we have been involved with OGC since 2015. My son Connor, continues to express genuine interest in pursuing gymnastics which has inspired me to submit my nomination for a board position with the intent to sustain, develop and grow the OGC gymnastics program within our community. A successful nomination will also enable the productive use of extra time gained from my children recently becoming more independent.

I am currently employed by the Government of Canada responsible for procurement of complex goods and services; my previous experience was gained from international infrastructure projects through various leadership and operational roles. Part of my mandates have been to provide oversight and guidance to stakeholders to ensure project success. With the desire to share and apply my knowledge and my goal to be involved as much as possible with Connor's development, combined with an ambition to gain board experience, I feel that these drivers will complement the OGC board during the pursuit of its stated mandates.

### **Nathalie Graham**

Nathalie has been a member in good standing of the OGC both as an athlete and as a parent. Nathalie's experience and skills will complement the role of Board Member. She currently has one child in the competitive stream.

Nathalie is currently a seasoned elementary school teacher at Kars on Rideau with a passion for helping kids achieve their potential.

In her early years through to University, Nathalie has been a part of OGC. She attained National Level status and had much success throughout her gymnastic career. With her drive, determination and passion, she used her gymnastics skills to receive a full scholarship to the NCAA Division 1 University of Pittsburgh's gymnastics team. Due to her leadership qualities, within two years, she was made the Captain of the gymnastics team.

Nathalie would be a perfect addition to the Board due to her top level gymnastics background and her professional experiences teaching and shaping our future leaders.

### **Amy Oke**

Amy has a B.Sc. in Electrical Engineering and Master of Public Administration from Queen's University. As a public servant, she worked on the CyberSecure Canada program in the department of Innovation, Science and Economic Development. Currently, Amy is on family leave to coach competitive 13UG volleyball with the Ottawa Fusion Volleyball Club and to support her two daughters, Avery and Myra, with their school, volleyball and gymnastics. Amy has been training in the OGC's adult gymnastics program since her family moved to Ottawa in 2005.

As an active member of the club, Amy has four priorities for the OGC:

1. General gym safety and equipment maintenance.

2. Regular gym cleaning and equipment organization.

3. Fun events for the athletes such as photoshoots.

4. Effective communication between the OGC board/administration and the membership.

Amy is currently training twice a week and she feels that her unique perspective as an athlete who uses the facility and as a parent of two athletes in the competitive program would be an asset to the board of directors and she would be happy to serve the OGC in this capacity.



**2021 Annual General Meeting  
Wednesday, November 24, 2021  
PROXY FORM**

I, the undersigned, [name] \_\_\_\_\_, being a voting member of Ottawa Gymnastics Centre

hereby assigns, [name of proxy holder]

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as my proxy to vote on my behalf on all the following matters and any other matter that may properly come before the Annual General Meeting of the Ottawa Gymnastics Centre to be held at 6:30 p.m. via Zoom Virtual Meeting, and at any and all adjournments or postponements thereof in the same manner, to the same extent and with the same powers as if the undersigned were personally present, with full power of substitution.

Approval of the AGM Agenda

Appointment of Tania Gray as recording Secretary

Appointment of Sureen Gosal and Mike Vieira as recording scrutineers

Adoption of the 2020-2021 minutes

Confirmation of financial statements

Appointment of Baker Tilly Ottawa LLP as independent auditors

Confirmation of acts of the Board of Directors

Election of Directors

- Mark Nam Nguyen – Seeking New Position
- Nathalie Graham– Seeking New Position
- Amy Oke– Seeking New Position

I acknowledge that this proxy will be acted upon unless revoked by me in writing or by my attendance at the meeting.

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Signature of Voting Member

Date

Please register your proxy by email to [mvieira@ottawagymnasticscentre.ca](mailto:mvieira@ottawagymnasticscentre.ca) by 5:00 p.m. on Wednesday, Nov 24, 2021.

*For office use only:*

Date Received	Time	Initials
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**The following stipulations apply to proxy votes as stated in the Ottawa Gymnastics Centre Constitution Bylaw Section 6.3 Proxy Votes (and outlined below):**

6.3.1 Every voting member, entitled to vote at a general meeting may appoint a person, who is a member, as their nominee to attend and act for them at the meeting to the extent and with whatever power the instrument appointing them states.

6.3.2 Such instrument appointing a proxy shall be in writing and the appointment shall be valid on for the specific meeting named.

6.3.3 A particular person shall be entitled to be a proxy for only one voting member at any meeting.

# Ottawa Gymnastics Centre 2024 Strategic Plan

**Our Vision**  
*To be the go-to organization for sports excellence and innovation in Canadian gymnastics*

**Our Mission**  
 To foster enthusiasm for gymnastics while building foundations for sport and Life

**Our 2024 goals are:**

1.0 Enhanced Facilities & Equipment	2.0 Effective Programming	3.0 Enhanced Performance	4.0 Proactive Management & Governance
We will have quality facilities and equipment that are effectively utilized.	We will have programming and practices that meet the needs of all members.	We will have an environment that enables athletes to achieve success at their highest level.	We will have the resources, capacity, structure and policies in place to achieve our strategic goals through 2024

**When we achieve these goals, the following outcomes will be achieved:**

We will be a high quality facility.	We will have strong, vibrant, integrated programming.	We will be a consistent top performing club in all disciplines at all levels.	We will be financially secure and operationally stable.
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**In order to achieve these goals, we will focus on the following objectives:**

1.1 Assessing and implementing a facility improvement plan	2.1 Assessing the needs of all members to identify & develop effective programming	3.1 Documenting our curriculum to ensure consistency in how athletes are developed	4.1 Creating a succession plan for all critical positions within the organization
1.2 Maintaining & enhancing facilities & equipment to meet international performance standards	2.2 Investing in staff education and retention	3.2 Creating opportunities for high performance development for our staff and coaches	4.2 Supporting professional development for staff & Board
1.3 Maintaining funding for equipment and facility upgrades	2.3 Aligning our programs with Long Term Athlete Development (LTAD), performance goals and True Sport	3.3 Identifying processes and supporting opportunities for training camps and competitions nationally and internationally	4.3 Creating and implementing a revenue diversification strategy
1.4 Maintaining and monitoring equipment safety		3.4 Supporting the development of Integrated Support Teams to enhance athlete performance	4.4 Embedding & strengthening our governance, structure and systems across the organization

		3.5 Enhancing daily training opportunities for identified athletes	4.5 Creating a financial reserve
<b>We will know we are successful because, by 2024:</b>			
There will be a 5 year board approved facility improvement plan in place and being actioned by 2021	We will have diverse programming that is meeting the needs of our members	We will have a curriculum aligned with LTAD, Gymnastics Ontario, & Gymnastics Canada to facilitate the development of High Performance athletes	We will have identified at least 1 successor for all critical positions by 2021
There will be an annual review of facility/space maximization	We will have motivated and committed staff members with the skills and experience necessary to support our members	Our staff and coaches will have high performance development opportunities	We will have implemented a performance review and professional development pathway for staff
There will be allocated resources in the amount of 3% of total annual budget for facility & equipment upgrades	All of our programs will align with LTAD, performance goals and True Sport	Our athletes will attend national and international camps and competitions	13% of our annual revenue will come from non-membership sources
There will be a documented and formalized equipment safety review process		We will have a dedicated Integrated Support Team (IST) supporting our athletes	Our policies will be reviewed every 3 years
		We will have documented processes that create an environment that maximizes sport/life balance	We will have a financial reserve that represents at least 25% of our annual operating costs
<b>We are guided by our Values</b>			
<b><i>Quality</i></b>	<b><i>Safety</i></b>		<b><i>Integrity</i></b>
Providing well balanced programming through passionate and dedicated teamwork	Providing an environment for physical and mental wellness		Fair treatment to athletes, members, staff and the community



# **Financial Statements**

**For the year ended June 30, 2021**

**Ottawa Gymnastics Centre**  
**Financial Statements**  
For the year ended June 30, 2021

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## **Independent Auditor's Report**

### **To the Members of Ottawa Gymnastics Centre**

#### Qualified Opinion

We have audited the financial statements of Ottawa Gymnastics Centre, which comprise the statement of financial position as at June 30, 2021, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2021, 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.

#### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. The auditor's opinion on the financial statements for the year ended June 30, 2020 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses for the years ended June 30, 2021 and 2020, assets as at June 30, 2021 and 2020 and net assets at both the beginning and end of the June 30, 2021 and 2020 years.

#### 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.

### Report on Other Legal and Regulatory Requirements

As required by the Corporations Act of Ontario, we report that in our opinion, the accounting principles in the summary of significant accounting policies have been applied on a consistent basis.

*Baker Tilly Ottawa LLP*

Chartered Professional Accountants, Licensed Public Accountants  
November 17, 2021  
Ottawa, Ontario

## Ottawa Gymnastics Centre Statement of Financial Position

June 30	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 961,874	\$ 799,118
Short term investment (Note 2)	33,500	33,500
Accounts receivable (Note 3)	83,815	41,122
Prepaid expenses	6,087	4,009
	1,085,276	877,749
<b>Tangible capital assets (Note 4)</b>	<b>53,089</b>	<b>86,667</b>
	<b>\$ 1,138,365</b>	<b>\$ 964,416</b>

### Liabilities and Net Assets

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 57,872	\$ 77,491
Government remittances payable	5,416	7,074
Deferred revenue (Note 5)	146,882	40,588
	210,170	125,153
<b>Loan payable (Note 6)</b>	<b>40,000</b>	<b>30,000</b>
<b>Deferred capital contributions (Note 7)</b>	<b>8,780</b>	<b>17,560</b>
	<b>258,950</b>	<b>172,713</b>
<b>Net assets</b>		
Internally Restricted Sasha Zavadych Sport Performance Fund	50,000	50,000
Internally Restricted Facility and Equipment Fund	95,767	95,767
Unrestricted	733,648	645,936
	879,415	791,703
	<b>\$ 1,138,365</b>	<b>\$ 964,416</b>

Approved on behalf of the board:

_____ Director	_____ Director
_____ Director	_____ Director

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## Ottawa Gymnastics Centre Statement of Changes in Net Assets

For the year ended June 30

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		Internally Restricted Sasha Zavadych Sport Performance Fund		Internally Restricted Facility and Equipment Fund		Unrestricted	Total 2021	Total 2020
<b>Balance, beginning of year</b>	\$	50,000	\$	95,767	\$	645,936	\$ 791,703	\$ 690,986
Excess of revenue over expenses for the year		-		-		87,712	<b>87,712</b>	100,717
<b>Balance, end of year</b>	<b>\$</b>	<b>50,000</b>	<b>\$</b>	<b>95,767</b>	<b>\$</b>	<b>733,648</b>	<b>\$ 879,415</b>	<b>\$ 791,703</b>

## Ottawa Gymnastics Centre Statement of Revenues and Expenditures

For the year ended June 30	2021	2020
<b>Revenue</b>		
Program	\$ 354,070	\$ 1,544,887
Fundraising	116,811	67
Grants	106,569	15,680
Amortization of deferred capital contributions	8,780	15,774
Other	33,200	75,526
Canada Emergency Wage Subsidy and Canadian Emergency Rent Subsidy (Note 10)	<u>657,606</u>	<u>165,783</u>
	<u>1,277,036</u>	<u>1,817,717</u>
<b>Expenses</b>		
Advertising and promotion	64	1,825
Amortization of tangible capital assets	33,578	37,840
Bad debts	2,140	3,900
Bank charges and interest	19,007	42,841
Fundraising	43,606	3,834
Insurance	9,900	7,433
Office and administration	29,246	43,884
Professional fees	9,831	9,660
Program expenses	28,522	220,784
Rent expenses	172,264	172,264
Repairs and maintenance	52,422	56,222
Salaries and benefits - Administration	318,322	353,881
Salaries and benefits - Programs	433,646	724,147
Utilities	<u>36,776</u>	<u>38,485</u>
	<u>1,189,324</u>	<u>1,717,000</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 87,712</b>	<b>\$ 100,717</b>

## Ottawa Gymnastics Centre Statement of Cash Flows

For the year ended June 30	2021	2020
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 87,712	\$ 100,717
Adjustment for		
Amortization of tangible capital assets	33,578	37,840
Amortization of deferred capital contributions	(8,780)	(15,774)
Forgiveness of loan payable	(10,000)	(10,000)
	102,510	112,783
Change in non-cash working capital items		
Accounts receivable	(42,693)	(16,035)
Prepaid expenses	(2,078)	7,609
Accounts payable and accrued liabilities	(19,619)	15,836
Government remittances payable	(1,658)	(11,039)
Deferred revenue	106,294	(143,938)
	142,756	(34,784)
<b>Cash flows from investing activities</b>		
Purchase of short term investment	-	(33,500)
Purchase of tangible capital assets	-	(21,255)
	-	(54,755)
<b>Cash flows from financing activity</b>		
Proceeds from loan payable	20,000	40,000
	20,000	40,000
<b>Increase (decrease) in cash during the year</b>	<b>162,756</b>	<b>(49,539)</b>
<b>Cash, beginning of year</b>	<b>799,118</b>	<b>848,657</b>
<b>Cash, end of year</b>	<b>\$ 961,874</b>	<b>\$ 799,118</b>

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# Ottawa Gymnastics Centre

## Notes to the Financial Statements

June 30, 2021

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### 1. Significant Accounting Policies

**Nature of Organization** The Ottawa Gymnastics Centre is a gymnastics training centre, providing camps, courses and training to both children and adults within the City of Ottawa. The Organization was incorporated under the laws of Business Corporation Act of Ontario without share capital as a not-for-profit organization and as such is exempt from income taxes.

**Basis of Presentation** The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

**Management Responsibility and the Use of Estimates** The financial statements of the Organization are the representation of management prepared in accordance with Canadian Accounting Standards for Non-for-Profit Organizations. The preparation of periodic financial statements necessarily involves the use of estimates and assumptions. Actual results could differ from management's best estimates and assumptions as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known.

Significant estimates include assumptions used in estimating the collectibility of accounts receivable, useful lives and amortization rates of tangible capital assets, and accruals for certain liabilities.

**Financial Instruments** Measurement of financial instruments

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions that are measured at the exchange amount.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

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# Ottawa Gymnastics Centre

## Notes to the Financial Statements

June 30, 2021

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### 1. Significant Accounting Policies (continued)

#### Financial Instruments (continued)

##### Measurement of financial instruments (continued)

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable, accounts payable and accrued liabilities, and loan payable.

##### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down, if any, is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed, to the extent of the improvement, directly or by adjusting the allowance account. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost. The amount of the reversal is recognized in excess of revenue over expenses.

##### Transaction costs

The Organization recognizes its transactions costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

#### 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.

#### Donated Assets, Materials and Services

The value of assets, materials and services donated to the Organization is not reflected in these financial statements unless the item would be otherwise purchased and the fair value of such donations is reasonably determinable.

#### Tangible Capital Assets

Tangible capital assets are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	2 years
Gymnastics and office equipment	5 years

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# Ottawa Gymnastics Centre Notes to the Financial Statements

**June 30, 2021**

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**1. Significant Accounting Policies (continued)**

**Tangible Capital Assets (continued)**      The cost of capital assets less than \$2,000 and short-lived consumable type of items are charged to expense in the year of acquisition.

**Internally Restricted Net Assets**      A portion of the Organization's net assets has been restricted in accordance with specific directives as approved by the Organization's board of directors. The purpose of each is as follows:

*Designated for sport performance*

Funds designated for the sport performance are to be used at the discretion of the board of directors to provide financial aid to enable athletes to perform at a high level.

*Designated for facility and equipment*

Funds designated for facility and equipment are to be used at the discretion of the board of directors to provide continued improvement of the facility.

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**2. Short Term Investment**

The short term investment consists of a guaranteed investment certificate which earns interest at 0.1% per annum and matures in February 2022.

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**3. Accounts Receivable**

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 6,174	\$ 19,708
Allowance for doubtful accounts	(2,500)	(4,000)
CEWS receivable	25,065	25,414
CERS receivable	55,076	-
	<u>\$ 83,815</u>	<u>\$ 41,122</u>

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## Ottawa Gymnastics Centre Notes to the Financial Statements

**June 30, 2021**

#### 4. Tangible Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 2,212	\$ 2,212	\$ -	\$ -
Gymnastics and office equipment	559,290	506,201	53,089	86,667
	\$ 561,502	\$ 508,413	\$ 53,089	\$ 86,667

#### 5. Deferred Revenue

Deferred revenue represents funds received in the current year that relate to operations of the subsequent fiscal year.

#### 6. Loan Payable

Canadian Emergency Business Account Loan bearing interest at 0% until December 2022, afterwards, bearing interest at 5% per annum, repayable in monthly interest only payments with the principal balance due December 2025.

It is the intention of management to repay the loan by December 2022, qualifying for a further \$10,000 loan forgiveness grant on top of the \$10,000 received in 2020. As a result, the second \$10,000 grant was recorded as revenue in the year ended June 30, 2021.

#### 7. Deferred Capital Contributions

Deferred capital contributions represent contributions for the purchase of capital assets. Changes in the deferred capital contributions balances during the year are as follows:

	2021		2020	
Balance, beginning of year	\$ 17,560	\$ 33,334		
Less: capital amount recognized as revenue	(8,780)	(15,774)		
Balance, end of year	\$ 8,780	\$ 17,560		

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## Ottawa Gymnastics Centre Notes to the Financial Statements

**June 30, 2021**

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### 8. Commitments

The Organization has a lease agreement with the City of Ottawa that expires December 31, 2021 and is subject to two five-year renewals. The City of Ottawa may terminate the lease at any time with twelve months notice. The annual payment schedule for the lease will be as follows (including HST):

2022	\$ <u>86,132</u>
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### 9. Risks and Concentrations

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations as at June 30, 2021.

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 Organization's main credit risk relates to its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and loan payable.

Change in risk

There have been no significant changes in the Organization's risk exposures from the previous fiscal year.

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### 10. Government Assistance

The organization qualified for the Canadian Emergency Wage Subsidy and Canadian Emergency Rent Subsidy that was created to subsidize Canadian organization in response to the COVID-19 pandemic. Government assistance may be subject to audit under the terms and conditions of the subsidy program. Should an audit reveal that any of the qualifying criteria or expenses incurred are not in accordance with program guidelines, the federal government may require the organization to reimburse a portion of the assistance.

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## Ottawa Gymnastics Centre Notes to the Financial Statements

June 30, 2021

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### 11. Uncertainty Due to COVID-19

The emergence of a novel strain of coronavirus, specifically identified as “COVID-19”, has resulted in certain emergency measures to combat the spread of the virus in Canada and other areas of the world, including implementation of social distancing measures, forced closure of businesses in certain industries and schools and travel bans. While the full impact of the COVID-19 outbreak is unknown at this time, it will have a material impact on the organization's operations.

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