



Financial Statements

For the year ended March 31, 2017



Shooting Federation of Canada
Financial Statements
For the year ended March 31, 2017

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Independent Auditor's Report

To the Members of Shooting Federation of Canada

We have audited the accompanying financial statements of Shooting Federation of Canada, which comprise the balance sheet as at March 31, 2017, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the management's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the management's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



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Independent Auditor's Report (continued)

Basis for Qualified Opinion

In common with many charitable organizations, the federation derives revenue from donations, memberships and tournaments 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 federation. The auditor's opinion on the financial statements for the year ended March 31, 2016 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 donations, memberships and tournaments revenue, excess of revenue over expenses for the years ended March 31, 2017 and 2016, assets as at March 31, 2017 and 2016 and net assets at both the beginning and end of the March 31, 2017 and 2016 years.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Shooting Federation of Canada as at March 31, 2017 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.

Collins Barrow Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants

September 6, 2017

Ottawa, Ontario

Shooting Federation of Canada Balance Sheet

March 31	2017	2016
Assets		
Current		
Cash (Note 2)	\$ 77,350	\$ 4,654
Accounts receivable	1,710	-
Inventory (Note 3)	20,611	23,201
Prepaid expenses	21,438	14,905
HST receivable	4,101	4,773
Investment (Note 4)	116,124	115,060
	241,334	162,593
Capital assets (Note 5)	11,337	4,875
Funds held in trust for specific purposes	-	28,271
	\$ 252,671	\$ 195,739

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 11,740	\$ 38,798
Deferred revenue	14,112	6,425
Deferred term memberships	2,670	4,368
	28,522	49,591
Funds held in trust for specific purposes	-	28,271
	28,522	77,862
Net assets	224,149	117,877
	\$ 252,671	\$ 195,739

Approved on behalf of the board:

_____ Member

_____ Member

Shooting Federation of Canada Statement of Operations and Changes in Net Assets

For the year ended March 31	2017	2016
Revenues		
Sport Canada	\$ 397,000	\$ 422,000
Canadian Olympic Committee (COC)	-	4,099
Coaching Association of Canada (CAC)	3,500	7,985
Affiliation/Insurance	172,199	156,028
Tournaments	157	1,030
Target sales	40,666	46,470
National team	8,820	9,944
Certification program	4,120	3,470
Miscellaneous	15,236	18,878
Membership	41,876	28,296
Recognition of specific purpose donations	29,271	500
	712,845	698,700
Expenditures		
Administrative (Schedule 2)	73,895	65,222
Amortization of capital assets	4,876	11,026
Athletes with a Disability (AWAD)	64,624	111,248
Coaching development	14,121	19,880
Cost of targets	35,047	31,337
Inventory write-down	-	10,405
Meetings	19,765	26,885
Membership and affiliation	62,092	72,945
National competition and sports science	95,676	130,078
Official languages	26,742	25,511
Professional fees	11,627	12,733
Promotion and communication	1,958	6,068
Salaries, benefits, and travel	131,393	134,072
Sport Canada Programs (Schedule 1)	64,757	76,344
	606,573	733,754
Excess (deficiency) of revenues over expenditures for the year	106,272	(35,054)
Net assets, beginning of year	117,877	152,931
Net assets, end of year	\$ 224,149	\$ 117,877

Shooting Federation of Canada Statement of Cash Flows

For the year ended March 31	2017	2016
Cash flows from (used in) operating activities		
Excess (deficiency) of revenues over expenditures for the year	\$ 106,272	\$ (35,054)
Adjustments for non-cash items		
Amortization of capital assets	4,876	11,026
Inventory writedown	-	10,405
	<u>111,148</u>	<u>(13,623)</u>
Change in non-cash working capital items		
Accounts receivable	(1,710)	18,213
Inventory	2,590	1,277
Prepaid expenses	(6,533)	14,308
HST receivable	672	11,445
Accounts payable and accrued liabilities	(27,059)	21,703
Deferred revenue	7,687	3,184
Deferred team memberships	(1,698)	(2,158)
	<u>85,097</u>	<u>54,349</u>
Cash flows from (used in) investing activities		
Increase in investments	(1,064)	(704)
Purchase of capital assets	(11,337)	-
	<u>(12,401)</u>	<u>(704)</u>
Increase in cash during the year	72,696	53,645
Cash (bank indebtedness), beginning of year	4,654	(48,991)
Cash, end of year	\$ 77,350	\$ 4,654

Shooting Federation of Canada Notes to the Financial Statements

March 31, 2017

1. Significant Accounting Policies

Nature and Purpose of Organization The Shooting Federation of Canada (the "federation") is incorporated under the laws of Canada. The federation is engaged in the promotion of the sport of shooting, the sponsorship of competitions and meets and to act as the national body. The federation is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Basis of Presentation These financial statements have been 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.

Use of Estimates The preparation of financial statements in accordance 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 expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future.

Significant estimates include assumptions used in estimating the collectibility of accounts receivable, inventory obsolescence, the useful life and related amortization of tangible capital assets, provisions for accrued liabilities and accrued vacation pay.

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

Measurement of Financial Instruments

The federation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The federation 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 operations.

Shooting Federation of Canada Notes to the Financial Statements

March 31, 2017

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

**Financial Instruments
(continued)**

Measurement of Financial Instruments (continued)

Financial assets measured at amortized cost include cash, investments, accounts receivable and HST receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The federation has no financial assets measured at fair value.

Transaction Costs

The federation recognizes its transaction costs in operations in the period incurred. However, the 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.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it 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 operations.

Government Assistance

Funds are advanced by the federal government for the purpose of sponsoring specific activities during the year. Expenses are applied against contributions on the accrual basis. Any unexpended portions of Government of Canada contributions as at March 31 are refundable to the contributor and are recorded as current liabilities.

Capital Assets

Capital assets includes both tangible and intangible assets. The intangible asset consists of the membership database. The policy of the federation is to charge to operations the total cost of capital asset purchases, if less than \$200, in the year of purchase. Capital assets in excess of \$200 are capitalized and the cost is amortized on a straight-line basis over five years for both tangible and intangible assets.

**Donated Material and
Services**

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

Shooting Federation of Canada Notes to the Financial Statements

March 31, 2017

1. Significant Accounting Policies (continued)

Inventory	Inventory is valued at the lower of cost and net realizable value. Cost is generally determined on an average cost basis. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs. Net realizable value is assessed at each balance sheet date and a write down is recorded as necessary. The amount of the write down may be reversed (up to original amount of the write down) where there is a change in the economic circumstances.
Deferred Revenue	Membership fees received for terms extending beyond one year are deferred. The deferred revenue is transferred to income over the life of the membership, not to exceed five years. Membership fees for one-year terms are recognized as revenue in the year received.
Revenue Recognition	The federation 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.
Foreign Currency Transactions	Transactions during the year in foreign currencies have been converted in the accounts to Canadian dollars at the exchange rate effective on the transaction date. There are no monetary assets in foreign currencies at the end of the year.

2. Cash

The federation's bank accounts are held at one chartered bank and earn nominal interest.

Shooting Federation of Canada Notes to the Financial Statements

March 31, 2017

3. Inventory

	2017	2016
Finished goods	\$ 20,611	\$ 27,435
Less: Allowance for obsolescence	-	(4,234)
	\$ 20,611	\$ 23,201

The allowance for obsolescence is based on prior years' write-down experience and management's judgment as to future net realizable value of inventory items which have not moved in the past year.

4. Investment

The federation's investments consists of a guaranteed investment certificate maturing in September 2017, earning interest at 0.9%.

5. Capital Assets

	2017			2016
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 22,486	\$ 22,486	\$ -	\$ 4,498
Computers	-	-	-	377
Membership database	102,922	91,585	11,337	-
	\$ 125,408	\$ 114,071	\$ 11,337	\$ 4,875

During the year the federation entered into a contract to develop a new membership database. As of March 31, 2017 the database is not in operation and as a result no amortization has been taken.

Fully amortized computers and office equipment were written off during the year.

Shooting Federation of Canada Notes to the Financial Statements

March 31, 2017

6. Financial Instruments

The federation is exposed to various risks through its financial instruments. The following analysis provides a measure of the federation's risk exposure and concentrations as at March 31, 2017.

Market Risk

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

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, various long-term debt agreements, obligations under capital leases and operating lease commitments.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate financial instruments subject the Organization to a fair value risk, while the floating-rate financial instruments subject the Organization to a cash flow risk.

Changes in Risk

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

Shooting Federation of Canada Schedule 1 - Sport Canada Programs

For the year ended March 31	2017	2016
Coaches salaries and professional development	\$ 3,201	\$ 15,100
Sport participation development	42,963	23,584
National championship	14,052	7,403
Athlete development	-	2,950
Women's initiatives	-	27,307
International representation	4,541	-
	\$ 64,757	\$ 76,344

Shooting Federation of Canada Schedule 2 - Administrative

For the year ended March 31	2017	2016
Office, computer, postage, etc.	\$ 44,767	\$ 35,628
Insurance	6,000	5,400
Telecommunications	7,030	7,895
Bank charges	4,990	5,235
Premises	11,108	11,064
	\$ 73,895	\$ 65,222
