



Financial Statements

For the year ended March 31, 2016

Shooting Federation of Canada
Financial Statements
For the year ended March 31, 2016

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Independent Auditor's Report

To the Members of Shooting Federation of Canada

We have audited the accompanying financial statements of the Shooting Federation of Canada, which comprise the balance sheet as at March 31, 2016, the statement of operations, 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 audits 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 entity'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 entity'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 in our audits is sufficient and appropriate to provide a basis of our qualified audit opinion.

Independent Auditor's Report (continued)

Basis of 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, 2015 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, 2016 and 2015, assets as at March 31, 2016 and 2015 and net assets at both the beginning and end of the March 31, 2016 and 2015 years.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion Paragraph, the financial statements present fairly, in all material respects, the financial position of Shooting Federation of Canada as at March 31, 2016, 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

August 25, 2016

Ottawa, Ontario

Shooting Federation of Canada Balance Sheet

March 31	2016	2015
Assets		
Current		
Cash (Note 1)	\$ 4,654	\$ -
Investment (Note 2)	115,060	114,357
Accounts receivable	-	18,213
HST receivable	4,773	16,218
Inventory (Note 3)	23,201	34,882
Prepaid expenses	14,905	29,213
	162,593	212,883
Capital assets (Note 4)	4,875	15,901
Funds held in trust for specific purposes (Note 5)	28,271	28,771
	\$ 195,739	\$ 257,555

Liabilities and Net Assets

Current		
Bank indebtedness	\$ -	\$ 48,991
Accounts payable and accrued liabilities	38,798	17,095
Deferred insurance revenue	-	641
Deferred national team revenue	6,425	2,600
Current portion - deferred term memberships	3,198	2,990
	48,421	72,317
Deferred term memberships	1,170	3,536
Funds held in trust for specific purposes (Note 5)	28,271	28,771
	77,862	104,624
Net assets		
Unrestricted	117,877	152,931
	\$ 195,739	\$ 257,555

On behalf of the Board:

_____ President

_____ Vice-President Administration

**Shooting Federation of Canada
Statement of Changes in Net Assets**

For the year ended March 31	2016	2015
Balance, beginning of year	\$ 152,931	\$ 132,557
Excess (deficiency) of revenue over expenses	(35,054)	20,374
Balance, end of year	\$ 117,877	\$ 152,931

Shooting Federation of Canada Statement of Operations

For the year ended March 31	2016	2015
Revenue		
Government of Canada		
Sport Canada (Schedule 1)	\$ 422,000	\$ 431,000
Canadian Olympic Committee (COC)	4,099	4,000
Coaching Association of Canada (CAC)	7,985	5,000
Membership	28,296	38,527
Affiliation/Insurance	156,028	179,482
Tournaments	1,030	593
Target sales	46,470	33,000
Certification program	3,470	450
National team	9,944	12,004
Miscellaneous	18,878	1,910
Recognition of specific purpose donations (Note 5)	500	500
	698,700	706,466
Expenses		
Inventory write-down (recovery)	10,405	(2,037)
Sport Canada Programs (Schedule 2)	76,344	73,094
Administrative (Schedule 2)	65,222	65,428
Membership and affiliation	72,445	62,277
Cost of targets	31,337	18,601
National competition and sports science	130,078	157,080
Salaries, benefits and travel (Schedule 2)	134,072	132,737
Athletes with a Disability (AWAD)	111,248	65,791
Official languages	25,511	8,964
Coaching development	26,885	23,902
Meetings	19,880	30,152
Specific purpose expenses (Note 5)	500	500
Promotion and communication	6,068	14,483
Professional fees	12,733	15,026
Amortization of capital assets	11,026	20,094
	733,754	686,092
Excess (deficiency) of revenue over expenses for the year	\$ (35,054)	\$ 20,374

Shooting Federation of Canada Statement of Cash Flows

For the year ended March 31	2016	2015
Operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (35,054)	\$ 20,374
Items not involving cash		
Amortization of capital assets	11,026	20,094
Inventory writedown (recovery)	10,405	(2,037)
	(13,623)	38,431
Changes in non-cash working capital balances		
Accounts receivable	18,213	(2,431)
HST receivable	11,445	(9,619)
Prepaid expenses	14,308	1,227
Inventory	1,277	4,101
Accounts payable and accrued liabilities	21,703	(47,740)
Deferred national team revenue	(641)	(275)
Deferred team memberships	(2,158)	(2,496)
Deferred insurance revenue	3,825	-
	54,349	(18,802)
Cash flows from investing activities		
Increase in investments	(704)	(1,609)
Principal repayment of capital lease	-	(2,580)
	(704)	(4,189)
Increase (decrease) in cash during the year	53,645	(22,991)
Bank indebtedness, beginning of year	(48,991)	(26,000)
Cash (bank indebtedness), end of year	\$ 4,654	\$ (48,991)

Shooting Federation of Canada Summary of Significant Accounting Policies

March 31, 2016

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.

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.

Shooting Federation of Canada Summary of Significant Accounting Policies

March 31, 2016

Financial Instruments (continued)	<p><i>Impairment</i></p> <p>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.</p>
Government Assistance	<p>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.</p>
Capital Assets	<p>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.</p>
Inventory	<p>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.</p>
Deferred Revenue	<p>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 10 years. Membership fees for one-year terms are recognized as revenue in the year received.</p>
Revenue Recognition	<p>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.</p>
Foreign Currency	<p>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.</p>

Shooting Federation of Canada Notes to Financial Statements

March 31, 2016

1. Cash

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

2. Investments

The federation's investments consists of a guaranteed investment certificate maturing in September 2016, earning interest at 0.9%.

3. Inventory

	2016	2015
Finished goods	\$ 27,435	\$ 73,649
Less: Allowance for obsolescence	(4,234)	(38,767)
	\$ 23,201	\$ 34,882

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. Capital Assets

	2016				2015		
	Accumulated Cost	Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value	
Tangible assets							
Computer	\$ 15,863	\$ 15,486	\$ 377	\$ 15,863	\$ 15,109	\$ 754	
Equipment	22,486	17,988	4,498	22,486	13,491	8,995	
Office equipment	15,804	15,804	-	15,804	15,804	-	
Total tangible assets	54,153	49,278	4,875	54,153	44,404	9,749	
Intangible assets							
Membership database	91,585	91,585	-	91,585	85,433	6,152	
	\$ 145,738	\$ 140,863	\$ 4,875	\$ 145,738	\$ 129,837	\$ 15,901	

Shooting Federation of Canada Notes to Financial Statements

March 31, 2016

5. Funds Held in Trust for Specific Purposes

Funds derived from donations are reflected in these financial statements as funds designated for specific purposes. These funds are to be used to cover special expenses for national teams, athletes, legal matters, public relations and other specified programs. Funds are recognized in revenue in the period in which they are expended for their specific purpose.

The changes in these balances during the year were as follows:

	Balance Beginning of Year	Donations Received	Amounts Recognized in Revenue	Balance End of Year
Athlete Funds	\$ 10,053	\$ -	\$ -	\$ 10,053
Special Projects Fund	18,718	-	(500)	18,218
	<u>\$ 28,771</u>	<u>\$ -</u>	<u>\$ (500)</u>	<u>\$ 28,271</u>

6. Financial Instruments Risks and Concentrations

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, 2016.

Liquidity risk

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

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 federation's main credit risks relate to its accounts receivable.

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 and currency risk.

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 federation is exposed to fair value risk on its investments with fixed interest rates.

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 - Revenue**

For the year ended March 31	2016	2015
Government of Canada		
Athletes with a Disability (AWAD)	\$ 91,500	\$ 91,500
NSO Support Program	<u>330,500</u>	<u>339,500</u>
	\$ 422,000	\$ 431,000

Shooting Federation of Canada Schedule 2 - Expenses

For the year ended March 31	2016	2015
Sport Canada Programs		
Coaches salaries and professional development	\$ 15,100	\$ 15,000
Sport participation development	23,584	17,185
National championship	7,403	13,486
Athlete development	2,950	17,461
Long-term athlete development	-	9,962
Women's initiatives	27,307	-
	\$ 76,344	\$ 73,094
Administrative		
Office, computer, postage, etc.	\$ 35,628	\$ 29,523
Insurance	5,400	10,437
Telecommunications	7,895	9,464
Bank charges	5,235	5,157
Premises	11,064	10,847
	\$ 65,222	\$ 65,428
Salaries, benefits and travel		
Staff salary and benefits	\$ 123,608	\$ 120,353
Travel	10,464	12,384
	\$ 134,072	\$ 132,737