



Financial Statements

For the year ended March 31, 2021



Shooting Federation of Canada
Financial Statements
For the year ended March 31, 2021

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Independent Auditor's Report

To the Members of Shooting Federation of Canada

Qualified Opinion

We have audited the financial statements of Shooting Federation of Canada, which comprise the balance sheet as at March 31, 2021, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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 Federation as at March 31, 2021, 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 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, 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 donations, memberships and tournaments revenue, excess of revenue over expenses for the years ended March 31, 2021 and 2020, assets as at March 31, 2021 and 2020 and net assets at both the beginning and end of the March 31, 2021 and 2020 years.

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 Federation 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 qualified 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.

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Federation'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 Federation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

Chartered Professional Accountants, Licensed Public Accountants
July 21, 2021
Ottawa, Ontario

Shooting Federation of Canada Balance Sheet

March 31 2021 2020

Assets

Current

Cash (Note 2)	\$	428,586	\$	253,198
Accounts receivable (Note 6)		23,384		244
Inventory		24,471		24,471
Prepaid expenses		27,364		22,503
HST receivable		10,984		7,721
Investment (Note 3)		150,470		121,160

665,259 429,297

Capital assets (Note 4)

94,082 20,588

\$ 759,341 \$ 449,885

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$	89,822	\$	42,931
Deferred revenue (Note 5)		152,793		125,952
Deferred term memberships - current portion		8,228		5,179

250,843 174,062

Deferred term memberships

4,768 2,050

CEBA loan payable (Note 6)

40,000 -

295,611 176,112

Net assets

463,730 273,773

\$ 759,341 \$ 449,885

Approved on behalf of the board of directors:

_____ Member

_____ Member

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

For the year ended March 31	2021	2020
Revenues		
Sport Canada	\$ 507,549	\$ 441,101
Affiliation/Insurance	199,828	191,645
Target sales	18,396	29,228
Membership	12,278	20,286
National team	10,680	13,750
Certification program	400	4,350
Coaching Association of Canada (CAC)	10	3,000
Government assistance (Note 6)	48,093	-
Miscellaneous	5,892	16,662
	803,126	720,022
Expenditures		
Administrative (Schedule 1)	58,102	58,759
Amortization of capital assets	20,110	7,137
Athletes with a Disability (AWAD)	62,940	73,731
Coaching development	-	3,800
Cost of targets	12,445	24,879
ISSF training reimbursement	3,515	925
Inventory write-down	-	8,953
Meetings	120	18,558
Membership and affiliation	57,268	52,847
National competition and sports science	85,019	181,237
Official languages	7,380	21,512
Professional fees	19,769	69,180
Promotion and communication	59,360	451
Salaries, benefits, and travel	127,431	74,200
Sport Canada Programs (Schedule 2)	99,710	74,410
	613,169	670,579
Excess of revenues over expenditures for the year	189,957	49,443
Net assets, beginning of year	273,773	224,330
Net assets, end of year	\$ 463,730	\$ 273,773

Shooting Federation of Canada Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from (used in) operating activities		
Excess of revenues over expenditures for the year	\$ 189,957	\$ 49,443
Adjustments for non-cash items		
Amortization of capital assets	20,110	7,137
CEBA loan forgiveness (Note 6)	(20,000)	-
	190,067	56,580
Change in non-cash working capital items		
Accounts receivable	(23,140)	(161)
Inventory	-	8,953
Prepaid expenses	(4,861)	(12,187)
HST receivable	(3,263)	(5,809)
Accounts payable and accrued liabilities	46,889	(977)
Deferred revenue	26,841	50,180
Deferred term memberships - current portion	3,049	(43)
	235,582	96,536
Cash flows from (used in) investing activities		
Purchase of investment	(150,000)	(2,381)
Proceeds on redemption of investment	120,690	-
Purchase of capital assets	(93,602)	(7,216)
	(122,912)	(9,597)
Cash flows from (used in) financing activities		
Deferred term memberships	2,718	2,050
Proceeds from CEBA loan payable (Note 6)	60,000	-
	62,718	2,050
Increase in cash during the year	175,388	88,989
Cash, beginning of year	253,198	164,209
Cash, end of year	\$ 428,586	\$ 253,198

Shooting Federation of Canada Notes to the Financial Statements

March 31, 2021

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 capital assets, provisions for accrued liabilities.

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, 2021

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Measurement of financial instruments (continued)

Financial assets measured at amortized cost include cash, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The Federation has no financial assets measure at fair values.

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 unless the contributor agrees to defer the contributions and are recorded as deferred revenue.

The Federation periodically applies for financial assistance under available government incentive programs for certain eligible expenditures. The Federation recognizes these incentives as Government assistance when there is reasonable assurance that the Federation has complied with the conditions for receipt of such assistance.

Shooting Federation of Canada

Notes to the Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

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. Amortization is based on the estimated useful life of the asset and is provided as follows:</p> <table><tr><td>Equipment</td><td>Straight-line</td><td>7 years</td></tr><tr><td>Computers</td><td>Straight-line</td><td>3 years</td></tr><tr><td>Membership database</td><td>Straight-line</td><td>7 years</td></tr></table>	Equipment	Straight-line	7 years	Computers	Straight-line	3 years	Membership database	Straight-line	7 years
Equipment	Straight-line	7 years								
Computers	Straight-line	3 years								
Membership database	Straight-line	7 years								
Donated Material and Services	<p>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.</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 five 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 Transactions	<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 the Financial Statements

March 31, 2021

2. Cash

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

3. Investment

The Federation's investments consists of a guaranteed investment certificate maturing in October 2021, earning interest at 0.65%.

4. Capital Assets

	2021			2020
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 109,339	\$ 23,620	\$ 85,719	\$ 14,867
Computers	8,614	3,167	5,447	1,185
Membership database	11,337	8,421	2,916	4,536
	\$ 129,290	\$ 35,208	\$ 94,082	\$ 20,588

In fiscal 2015 the federation received electronic targets and related equipment from the Pan AM games as a gift. The fair value of this donated asset was not determined and as such the benefit and equal offsetting expense has never been included in these financial statements other than being reflected at the nominal value of \$1. As at March 31, 2021 and March 31, 2020 these assets would be fully amortized in accordance with the federation's policy for tangible capital assets amortization, however some may still be in use.

5. Deferred Revenue

Deferred revenue is made up of the following amounts:

	Balance, beginning of year	Received	Recognized	Balance, end of year
Insurance	\$ 114,303	\$ 228,815	\$ (199,828)	\$ 143,290
Sport Canada	11,649	495,900	(507,549)	-
Ernie Sopsich Memorial Fund	-	10,003	(500)	9,503
	\$ 125,952	\$ 734,718	\$ (707,877)	\$ 152,793

Shooting Federation of Canada Notes to the Financial Statements

March 31, 2021

5. Deferred Revenue (continued)

Insurance represents amounts received in advance of the membership year that will be recognized as earned in the following fiscal year.

6. Government Assistance

During the year, the Federation applied for a \$60,000 loan under the Canada Emergency Business Account ("CEBA") relief program established by the Federal Government of Canada, 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. Under the loan agreement, a maximum amount of \$20,000 can be forgiven, if at least 67% of the initial principal amount has been repaid as of December 31, 2022. It is the intention of the Federation to repay the loan by December 2022, and as such, the \$20,000 forgivable portion of the loan has been recognized as government assistance in the statement of operations.

Also during the year, the Federation applied for funding of \$77,216 under the Canada Emergency Wage Subsidy ("CEWS") relief program established by the Federal Government of Canada, of which \$59,021 has been received as of year-end and \$18,195 has been included in accounts receivable. A CEWS liability has also been recorded for \$52,513, included in accounts payable and accrued liabilities. As a result, an amount of \$24,703 has been recognized as government assistance in the statement of operations. Eligibility for the CEWS is based upon sufficient drop in revenues for the claim period due to COVID-19 and allow for a subsidy of up to 75% of wages. These claims are subject to audit by the Canada Revenue Agency which could result in adjustments to the amounts claimed.

The Federation has recognized Temporary Wage Subsidy for Employers (TWS) income of \$3,390 during the year. These amounts have been also included in government assistance in the statement of operations. These wage subsidies are presented in government subsidies in the statement of operations. The TWS allowed eligible employers to reduce the amount of payroll deductions remitted.

These claims are subject to audit by Canada Revenue Agency which could result in adjustments to the amounts claimed.

7. Comparative Amounts

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year net assets.

Shooting Federation of Canada

Notes to the Financial Statements

March 31, 2021

8. 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, 2021.

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 and CEBA loan payable.

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.

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.

9. Uncertainty Due to COVID-19

The duration and full financial impact of the COVID-19 pandemic is unknown at this time, as are any additional measures to be taken by governments, the Federation or others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of this pandemic is subject to significant uncertainty and accordingly it is unknown whether COVID-19 may materially and adversely impact the Federation's operations, financial results and condition in future periods.

**Shooting Federation of Canada
Schedule 1 - Administrative**

For the year ended March 31	2021	2020
Office, computer, postage, etc.	\$ 25,444	\$ 26,412
Insurance	6,093	4,743
Telecommunications	1,255	1,367
Bank charges	4,675	5,616
Premises	20,635	20,621
	\$ 58,102	\$ 58,759

**Shooting Federation of Canada
Schedule 2 - Sport Canada Programs**

For the year ended March 31	2021	2020
Coaches salaries and professional development	\$ 30,000	\$ 20,600
Sport participation development	66,464	34,999
National championship	3,246	18,436
International representation	-	375
	\$ 99,710	\$ 74,410
