



Financial Statements

For the year ended March 31, 2014

 **Collins Barrow**
Chartered Accountants

 an independent member of
BAKER TILLY
INTERNATIONAL

**Shooting Federation of Canada
Financial Statements
For the year ended March 31, 2014**

Contents

Independent Auditor's Report	1
Financial Statements	
Balance Sheet	3
Statement of Changes in Net Assets	4
Statement of Operations	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7
Notes to Financial Statements	10
Schedule 1 - Revenue	13
Schedule 2 - Expenses	14

Collins Barrow Ottawa LLP
301 Moodie Drive, Suite 400
Ottawa, Ontario
K2H 9C4 Canada

T: 613.820.8010
F: 613.820.0465

email: ottawa@collinsbarrow.com
web: www.collinsbarrowottawa.com

Independent Auditor's Report

**To the Federation of
Shooting Federation of Canada**

Report on the Financial Statements

We have audited the accompanying financial statements of the Shooting Federation of Canada, which comprise the balance sheet as at March 31, 2014, 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 audits. We conducted our audits 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.

Collins Barrow Ottawa LLP
301 Moodie Drive, Suite 400
Ottawa, Ontario
K2H 9C4 Canada

T: 613.820.8010
F: 613.820.0465

email: ottawa@collinsbarrow.com
web: www.collinsbarrowottawa.com

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, 2013 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, 2014 and 2013, assets as at March 31, 2014, March 31, 2013 and net assets at both the beginning and end of the March 31, 2014 and 2013 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, 2014, 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 Accountants, Licensed Public Accountants

September 26, 2014

Ottawa, Ontario

Shooting Federation of Canada Balance Sheet

March 31

2014

2013

Assets

Current

Cash	\$ -	\$ 45,569
Short-term investment (Note 2)	112,748	111,352
Accounts receivable	15,782	17,260
HST receivable	6,599	8,187
Inventory (Note 3)	36,946	39,280
Prepaid expenses	30,440	18,898
	<hr/>	<hr/>
	202,515	240,546
Tangible and intangible capital assets (Note 4)	35,995	59,249
Funds held in trust for specific purposes (Note 5)	29,271	33,578
	<hr/>	<hr/>
	\$ 267,781	\$ 333,373

Liabilities and Net Assets

Current

Bank indebtedness	\$ 26,000	\$ -
Accounts payable and accrued liabilities	64,835	90,996
Deferred insurance revenue	916	30,297
Deferred national team revenue	2,600	450
Current portion - deferred term memberships	-	3,822
Current portion - capital lease (Note 6)	2,580	3,211
	<hr/>	<hr/>
	96,931	128,776
Deferred term memberships	9,022	6,214
Capital lease (Note 6)	-	2,580
Funds held in trust for specific purposes (Note 5)	29,271	33,578
	<hr/>	<hr/>
	135,224	171,148
Net assets		
Unrestricted	132,557	162,225
	<hr/>	<hr/>
	\$ 267,781	\$ 333,373

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

2014

2013

Balance, beginning of year	\$ 162,225	\$ 170,420
Deficiency of revenue over expenses	<u>(29,668)</u>	(8,195)
Balance, end of year	\$ 132,557	\$ 162,225

Statement of Changes in Net Assets

For the year ended March 31

2014

2013

Balance, beginning of year

Deficiency of revenue over expenses

Balance, end of year

Shooting Federation of Canada Statement of Operations

For the year ended March 31

2014

2013

Revenue

Government of Canada		
Sport Canada (Schedule 1)	\$ 391,000	\$ 356,400
Canadian Olympic Committee (COC)	-	1,916
Coaching Association of Canada (CAC)	2,441	9,300
Membership	19,731	17,707
Affiliation / Insurance	177,441	154,346
Tournaments	1,422	2,164
Resale	29,604	46,017
Certification program	75	1,450
National team	5,713	11,655
Miscellaneous	21,505	2,598
Recognition of specific purpose donations (Note 5)	<u>4,307</u>	<u>500</u>
	<u>653,239</u>	<u>604,053</u>

Expenses

Inventory write down	3,804	-
Sport Canada Programs (Schedule 2)	63,519	83,025
Administrative (Schedule 2)	68,006	36,044
Membership and affiliation	117,242	115,660
Tournaments	(146)	
Resale (Schedule 2)	17,555	24,854
National team (Schedule 2)	97,329	89,398
Salaries, benefits and staff travel (Schedule 2)	127,976	123,337
Athletes with a Disability (AWAD)	69,911	53,423
Official languages	43,595	10,097
Certification coaching development (Schedule 2)	3,896	8,641
Meetings	28,538	16,675
Specific purpose expenses (Note 5)	4,307	500
Professional fees	13,975	25,597
Amortization of tangible capital assets	<u>23,254</u>	<u>25,143</u>
	<u>682,907</u>	<u>612,248</u>
Deficiency of revenue over expenses for the year	\$ (29,668)	\$ (8,195)

Shooting Federation of Canada Statement of Cash Flows

For the year ended March 31

2014

2013

Operating activities

Deficiency of revenue over expenses for the year	\$ (29,668)	\$ (8,195)
Items not involving cash		
Amortization of tangible capital assets	23,254	25,143
Inventory writedown	3,804	-
	<hr/>	<hr/>
	(2,610)	16,948
Changes in non-cash working capital balances		
Accounts receivable	1,478	(7,240)
HST receivable	1,588	(5,124)
Prepaid expenses	(11,542)	(11,324)
Inventory	(1,470)	1,348
Accounts payable and accrued liabilities	(26,161)	(49,138)
Deferred national team revenue	(29,381)	(25,448)
Deferred team memberships	(1,014)	2,314
Deferred insurance revenue	2,150	(4,580)
	<hr/>	<hr/>
	(66,962)	(82,244)

Cash flows from investing activities

Purchase of capital assets	-	(24,371)
Principal repayment of capital lease	(3,211)	(2,967)
	<hr/>	<hr/>
	(3,211)	(27,338)

Decrease in cash during the year

Cash and cash equivalents, beginning of year	156,921	266,503
	<hr/>	<hr/>

Cash and cash equivalents, end of year

	\$ 86,748	\$ 156,921
	<hr/>	<hr/>
Consists of the following:		
Cash (indebtedness)	\$ (26,000)	\$ 45,569
Short-term investments	112,748	111,352
	<hr/>	<hr/>
	\$ 86,748	\$ 156,921
	<hr/>	<hr/>

Shooting Federation of Canada Summary of Significant Accounting Policies

March 31, 2014

Nature and Purpose of Organization

The Shooting Federation of Canada (the "federation") is incorporated under the laws of Canada. The organization was incorporated under the Canada Corporation Act - Part II until October 28, 2013. On October 28, 2013 the organization continued under the Canada Not-for-profit Corporations Act. 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, short-term investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities. The federation has no financial assets measured at fair value.

Shooting Federation of Canada Summary of Significant Accounting Policies

March 31, 2014

Financial Instruments (continued)	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.
	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.
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.
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 10 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.

Shooting Federation of Canada since 1946 & is known for Summary of Significant Accounting Policies

March 31, 2014

Foreign Currency

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.

Cash and Cash Equivalents

For purposes of the federation's statement of cash flows, cash and cash equivalents are defined as bank balances and short-term liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Shooting Federation of Canada Notes to Financial Statements

March 31, 2014

1. Cash

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

2. Short-Term Investment

The federation's short-term investment consists of a 3 year cashable GIC maturing in September 2014 earning interest at an effective rate of 1.30%.

3. Inventory

	2014	2013
Finished goods	\$ 77,750	\$ 76,280
Less: Allowance for obsolescence	<u>(40,804)</u>	<u>(37,000)</u>
	\$ 36,946	\$ 39,280

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

	2014			2013		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Tangible assets						
Computer Equipment	\$ 15,863	\$ 14,732	\$ 1,131	\$ 15,863	\$ 14,355	\$ 1,508
Office equipment under capital lease (Note 6)	22,486	8,994	13,492	22,486	4,497	17,989
	<u>15,804</u>	<u>15,804</u>	-	15,804	12,644	3,160
Total tangible assets	54,153	39,530	14,623	54,153	31,496	22,657
Intangible assets						
Membership database	91,585	70,213	21,372	91,585	54,993	36,592
	\$ 145,738	\$ 109,743	\$ 35,995	\$ 145,738	\$ 86,489	\$ 59,249

Shooting Federation of Canada Notes to Financial Statements

March 31, 2014

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	\$ 14,360	\$ -	\$ (4,307)	\$ 10,053
Special Projects Fund	19,218	-	-	19,218
	\$ 33,578	\$ -	\$ (4,307)	\$ 29,271

6. Obligations Under Capital Lease

The federation has a capital lease agreement for the purchase of equipment. During 2012, the federation signed a new capital lease to replace the existing equipment. The minimum commitment together with the present value of the obligation are as follows:

	2014	2013
2014	\$ -	\$ 3,580
2015	2,685	2,685
Total minimum lease payments	2,685	6,265
Less: Interest at 8%	105	474
Present value of minimum lease payments	2,580	5,791
Less: Current portion	2,580	3,211
	\$ -	\$ 2,580

Interest expense related to obligations under capital lease amounted to \$369 (2013 - \$613).

Shooting Federation of Canada Notes to Financial Statements

March 31, 2014

7. 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, 2014.

Liquidity risk

Liquidity risk is the risk that an entity 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.

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 interest rate risk on its interest-bearing investments with fixed interest rates.

Changes in risk

There have been no significant changes in the federation's risk exposures from the 2013 fiscal year.

Shooting Federation of Canada Schedule 1 - Revenue

For the year ended March 31

2014

2013

Government of Canada

Athletes with a Disability (AWAD)	\$ 91,500	\$ 72,400
NSO Support Program	<u>299,500</u>	<u>284,000</u>
	\$ 391,000	\$ 356,400

Shooting Federation of Canada
Schedule 2 - Expenses

For the year ended March 31

2014

2013

Sport Canada Programs

Coaches salaries and professional development	\$ 15,844	\$ 12,500
Sport participation development	32,636	30,891
National championship	7,325	7,265
Athlete development	865	7,128
Long-term athlete development	6,849	20,758
Women's initiatives	-	4,483
	<hr/>	<hr/>
	\$ 63,519	\$ 83,025

Administrative

Office, computer, postage, etc.	\$ 39,432	\$ 17,039
Insurance	1,739	1,291
Telecommunications	8,319	3,082
Bank charges	4,907	3,763
Bad debts	3,778	-
Premises	9,831	10,869
	<hr/>	<hr/>
	\$ 68,006	\$ 36,044

Resale

Cost of targets	\$ 16,914	\$ 23,051
Cost of retail items	641	1,803
	<hr/>	<hr/>
	\$ 17,555	\$ 24,854

National team

National Competition and Sports Science	\$ 97,329	\$ 86,133
Promotion and communication	-	3,265
	<hr/>	<hr/>
	\$ 97,329	\$ 89,398

Salaries, benefits and travel

Staff salary and benefits	\$ 113,546	\$ 121,180
Travel	14,430	2,157
	<hr/>	<hr/>
	\$ 127,976	\$ 123,337

Shooting Federation of Canada
Schedule 2 - Expenses (continued)

<u>For the year ended March 31</u>	<u>2014</u>	<u>2013</u>
Certification coaching development		
Certification Coaching Association of Canada (CAC) Grant	\$ 3,896	\$ 8,163
	<hr/>	<hr/>
	\$ 3,896	\$ 8,641

