

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

Auditor's Report

Financial Statements

December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Directors of **Saskatchewan Target Shooting Association Corporation**

Opinion

We have audited the financial statements of **Saskatchewan Target Shooting Association Corporation** (the "Association"), which comprise the statement of financial position as at **December 31, 2023** and the statements 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Saskatchewan Target Shooting Association Corporation** as at **December 31, 2023**, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Statements* section of our report. We are independent of Saskatchewan Target Shooting Association Corporation 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 audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and the use of the going concern basis of accounting unless management either intends to liquidate the entity or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility 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 entity'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 entity'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 entity 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.

Saskatoon, Saskatchewan
March 15, 2024

Chartered Professional Accountants

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

STATEMENT OF FINANCIAL POSITION

December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 48,627	100,581
Accounts receivable	656	50
Prepaid expenses	<u>6,994</u>	<u>8,281</u>
	<u>\$ 56,277</u>	<u>108,912</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,023	5,939
Deferred membership revenue (Note 3)	30,010	32,306
Deferred grant revenue (Note 4)	-	31,850
Restricted deferred grant revenue (Note 4)	<u>-</u>	<u>15,262</u>
Total current liabilities	35,033	85,357
Net assets:		
Net assets, per accompanying statement	<u>21,244</u>	<u>23,555</u>
	<u>\$ 56,277</u>	<u>108,912</u>

APPROVED ON BEHALF OF THE BOARD:

Director

Director

See accompanying notes to the financial statements.

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Revenue:		
Saskatchewan Lotteries Trust Fund (Schedule 1) (Note 5)	\$ 73,400	70,200
Self-Help (Schedule 2)	<u>33,992</u>	<u>25,449</u>
	107,392	95,649
Operating expenses:		
Administration (Schedule 3)	12,878	11,983
Capacity/interaction (Schedule 4)	2,705	4,447
Participation (Schedule 5)	45,655	26,576
Excellence (Schedule 6)	27,811	38,334
Categorical grants (Schedule 7)	20,418	15,938
Prior year grant return	<u>236</u>	<u>-</u>
	109,703	97,278
Deficiency of revenues over expenditures	(2,311)	(1,629)
Net assets, beginning of year	<u>23,555</u>	<u>25,184</u>
Net assets, end of year	<u>\$ 21,244</u>	<u>23,555</u>

See accompanying notes to the financial statements.

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

STATEMENT OF CASH FLOWS

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Operating activities:		
Deficiency of revenues over expenditures	\$ (2,311)	(1,629)
Changes in non-cash working capital:		
Accounts receivable	(606)	(50)
Prepaid expenses	1,288	12,760
Accounts payable and accrued liabilities	(917)	(467)
Deferred membership revenue	(2,296)	(3,464)
Deferred grant revenue	(31,850)	-
Restricted deferred grant revenue	<u>(15,262)</u>	<u>7,262</u>
	<u>(51,954)</u>	<u>14,412</u>
Increase (decrease) in cash during the year	(51,954)	14,412
Cash position, beginning of year	<u>100,581</u>	<u>86,169</u>
Cash position, end of year	\$ <u><u>48,627</u></u>	<u><u>100,581</u></u>
Cash consists of cash less outstanding cheques.		

See accompanying notes to the financial statements.

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

1. STATUS AND NATURE OF ACTIVITIES

Saskatchewan Target Shooting Association Corporation (the "Association") was incorporated January 31, 1963 under the Non-Profit Corporations Act of Saskatchewan. Under present legislation, no income taxes are payable on the reported income of such operations. The purpose of the Association is to promote the ISSF, Olympic and NRA target shooting disciplines of handgun competition in the province of Saskatchewan, Canada.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant policies:

(a) **Revenue recognition**

The Association follows the deferral method of accounting for contributions.

Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation ("Saskatchewan Lotteries") are received out of the net proceeds of lottery ticket sales in Saskatchewan. These grants have been recorded as revenue by the Association as approved by Saskatchewan Lotteries. Accordingly, amounts received that relate to the next fiscal period are shown as deferred revenue.

Fee and competition revenue is recognized as revenue in the period in which services are performed.

Memberships are recognized in the year to which the membership relates.

(b) **Financial Instruments**

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and deferred revenue.

(c) **Management Estimates**

The preparation of the financial statements in conformity 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 amount of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

(d) **Tangible Capital Assets**

Capital assets are expensed in the year of purchase, therefore, no amortization is reflected in the accompanying financial statements. During the year, capital assets of \$4,393 (2022 - \$13,462) were recorded as operating expenses.

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income Taxes

The Association is exempt from income taxes as it is a non-profit organization.

(f) Contributed Services

Directors, committee members and owners volunteer their time to assist in the Association's activities. While their services benefit the Association considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in these financial statements.

3. DEFERRED MEMBERSHIP REVENUE

During 2021, the Board developed an estimate for the purposes of tracking active lifetime members. These memberships were recorded as deferred membership revenue at the time they were received and the funds have been maintained in a savings account. The deferred membership revenue balance of \$33,000 at January 1, 2021 was based on the number of active lifetime members, the original cost of memberships, a membership period of 40 years, estimated receipt year of 2006, and annual memberships revenue of \$10 per year per lifetime member. The membership transfer in 2023 was \$1,320 (2022 - \$1,320) for a closing balance of \$29,040.

Deferred membership revenue also includes a life membership received in 2015 with a remaining balance of \$175 (2022 - \$200).

	<u>2023</u>	<u>2022</u>
Deferred lifetime memberships, beginning of year	\$ 30,560	31,905
Amount recognized	<u>(1,345)</u>	<u>(1,345)</u>
Deferred lifetime memberships, end of year	29,215	30,560
Deferred annual memberships	<u>795</u>	<u>1,746</u>
	<u>\$ 30,010</u>	<u>32,306</u>

4. DEFERRED GRANT REVENUE

	<u>2023</u>	<u>2022</u>
Unrestricted		
SLTF - Annual Funding	\$ <u>-</u>	<u>31,850</u>
Restricted		
SLTF - Membership Assistance Program	\$ -	9,700
Sask Sport Inc - ISEP	<u>-</u>	<u>5,562</u>
	<u>\$ -</u>	<u>15,262</u>

5. ECONOMIC DEPENDENCE

The Association receives significant grant revenue from Saskatchewan Lotteries. As a result, the Association is dependent upon the continuance of these grants to maintain operations at their current level.

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

6. RELATED PARTY TRANSACTIONS

The Association regularly reimburses board members, who pay various expenses on behalf of and incur costs in the performance of duties for the Association. Parties not at arm's length from board members are also compensated for athletic assistance in training and competing in their capacity as members of the Association.

During the year, the Association paid the following amounts to board members, as well as parties related to board members, for services provided and expenses paid by the board for which they were reimbursed:

	<u>2023</u>	<u>2022</u>
Sch. 3 - Office	\$ 1,308	1,184
Sch. 4 - Awards & Recognition	511	4,256
Sch. 4 - Marketing & Promotions	77	-
Sch. 4 - Meetings	1,489	193
Sch. 5 - Athlete Development - Competition	7,189	-
Sch. 5 - Athlete Development - Introductory Programs	2,102	-
Sch. 5 - Athlete Development - Equipment	4,475	-
Sch. 5 - Coaching Development	984	-
Sch. 5 - Officials Development	635	-
Sch. 6 - Athlete Development - Assistance	2,000	-
Sch. 6 - Athlete Development - Competition	8,077	11,617
Sch. 6 - Athlete Development - Equipment	1,287	1,697
Sch. 6 - Athlete Development - Uniforms	285	1,971
Sch. 6 - Coaching Development	2,417	6,150
Sch. 6 - Officials Developemnt	539	-
Sch. 6 - Sports Medicine and Science	479	-
Sch. 7 - Categorical Grants	<u>4,500</u>	<u>6,000</u>
	<u>\$ 38,354</u>	<u>33,068</u>

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2023

7. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through financial instruments. The following analysis provides a measure of the Saskatchewan Target Shooting Association's exposure and concentrations at December 31, 2023.

Liquidity risk

Liquidity risk is the risk that the Association may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. The Association is exposed to liquidity risk with respect to its accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash. There has been no change from liquidity risk exposure from 2022.

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Association could incur a financial loss. The Association is exposed to credit risk with respect to its accounts receivable. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable. There has been no change from credit risk exposure from 2022.

8. COMPARATIVE FIGURES

The prior year's comparative figures have been reclassified to conform to the current year's method of presentation. Excess (deficiency) of revenues over expenses was not affected.

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

SCHEDULE OF REVENUES

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Schedule 1 - Saskatchewan Lotteries Trust Fund		
Annual funding	\$ 63,700	63,700
Membership Assistance Program	<u>9,700</u>	<u>6,500</u>
	<u>\$ 73,400</u>	<u>70,200</u>
Schedule 2 - Self-Help		
Internal:		
Competition and clinics	\$ 11,936	4,685
Membership fees	7,739	6,588
Team/Athlete fees	<u>1,400</u>	<u>4,200</u>
	<u>21,075</u>	<u>15,473</u>
External:		
Fundraising	606	161
Grants		
Future best	4,500	7,500
Indigenous Sport Enhancement (ISEP)	6,218	1,938
Sask Winter Games Grant	-	180
Interest	448	197
Sales	<u>1,145</u>	<u>-</u>
	<u>12,917</u>	<u>9,976</u>
	<u>\$ 33,992</u>	<u>25,449</u>

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

SCHEDULE OF EXPENSES

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Schedule 3 - Administration		
Audit	\$ 5,796	5,864
Insurance	4,249	3,944
Office	<u>2,833</u>	<u>2,175</u>
	<u>\$ 12,878</u>	<u>11,983</u>
Schedule 4 - Capacity/interaction		
Awards and Recognition	\$ 511	4,254
Marketing & promotions	316	-
Meetings	<u>1,878</u>	<u>193</u>
	<u>\$ 2,705</u>	<u>4,447</u>
Schedule 5 - Participation		
Athlete development:		
Competition	\$ 18,920	3,142
Equipment	4,725	9,900
Introductory programs	6,734	2,325
Coaching development	11,484	8,805
Officials development	1,892	2,404
Under-represented population	<u>1,900</u>	<u>-</u>
	<u>\$ 45,655</u>	<u>26,576</u>
Schedule 6 - Excellence		
Athlete development:		
Assistance	\$ 2,925	3,000
Competition	14,630	17,998
Equipment	1,414	3,145
Training	-	3,267
Uniforms	3,362	3,356
Coaches development	3,386	6,150
Officials development	1,615	1,133
Sports Medicine	<u>479</u>	<u>285</u>
	<u>\$ 27,811</u>	<u>38,334</u>

SASKATCHEWAN TARGET SHOOTING ASSOCIATION CORPORATION

SCHEDULE OF EXPENSES - (continued)

Year ended December 31, 2023
with comparative figures for 2022

	<u>2023</u>	<u>2022</u>
Schedule 7 - Categorical grants		
Membership Assistance Program:		
Lake Country Target Shooting	\$ 250	-
Nokomis Gun Club	700	1,750
Precision Air Rifle Club	1,500	2,460
Prince Albert Pistol & Rifle Club	1,500	-
Reed Lake Gun Club	1,500	1,040
Saskatoon Rifle and Revolver Club	1,250	1,250
South Sask Wildlife Association	750	-
Thunder Fun Family Club	250	-
Thompkins District Target Shooting Club	1,000	-
Wascana Pistol Club	<u>1,000</u>	<u>-</u>
	<u>9,700</u>	<u>6,500</u>
Future best		
Alexa Berezowski	-	1,500
Frederick Dutka	-	1,500
Rex Norman	1,500	2,250
Seth Norman	1,500	2,250
Sasha Krakowka	<u>1,500</u>	<u>-</u>
	<u>4,500</u>	<u>7,500</u>
Indigenous Sport Enhancement (ISEP)	<u>6,218</u>	<u>1,938</u>
	<u>20,418</u>	<u>15,938</u>