

CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

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CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION

INDEX TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Revenues and Expenditures	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 10

DRAFT



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of Canadian Sporting Arms and Ammunition Association

We have reviewed the accompanying financial statements of Canadian Sporting Arms and Ammunition Association that comprise the statement of financial position as at December 31, 2019 and the statements of revenue and expenditures, 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of the financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Canadian Sporting Arms and Ammunition Association as at December 31, 2019 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.

Kitchener, Ontario

Chartered Professional Accountants
Licensed Public Accountants

CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION**STATEMENT OF FINANCIAL POSITION****AS AT DECEMBER 31, 2019**

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 133,533	\$ 85,637
Short term investments	0	63,336
Accounts receivable	13,406	8,619
Prepaid expenses	<u>21,491</u>	<u>14,474</u>
	<u>\$ 168,430</u>	<u>\$ 172,066</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 13,942	\$ 12,695
Government remittances payable	10,256	6,633
Deferred revenue	<u>80,881</u>	<u>40,788</u>
	<u>105,079</u>	<u>60,116</u>
NET ASSETS		
UNRESTRICTED	<u>63,351</u>	<u>111,950</u>
	<u>\$ 168,430</u>	<u>\$ 172,066</u>

CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2019	2018
UNRESTRICTED, beginning of year	\$ 111,950	\$ 138,509
Deficiency of expenditures over revenues for the year	<u>(48,599)</u>	<u>(26,559)</u>
UNRESTRICTED, end of year	<u><u>\$ 63,351</u></u>	<u><u>\$ 111,950</u></u>

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CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION**STATEMENT OF REVENUES AND EXPENDITURES****FOR THE YEAR ENDED DECEMBER 31, 2019**

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2019	2018
REVENUES		
Shows	\$ 196,231	\$ 220,495
Membership	76,002	62,594
Economic impact survey	60,500	0
Interest income	478	1,182
	<u>333,211</u>	<u>284,271</u>
EXPENDITURES		
Event expenses	156,353	153,666
Salaries	104,334	67,356
Lobbying	52,543	32,474
CFIB membership	31,071	27,883
Travel	12,519	279
Professional fees	8,481	18,413
Interest and bank charges	4,640	3,552
Bad debts	4,200	832
Insurance	2,836	2,583
Telephone	2,098	1,891
Advertising	1,669	552
Office	1,066	1,349
	<u>381,810</u>	<u>310,830</u>
DEFICIENCY OF EXPENDITURES OVER REVENUES for the year	\$ <u>(48,599)</u>	\$ <u>(26,559)</u>

CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Deficiency of expenditures over revenues for the year	\$ (48,599)	\$ (26,559)
Changes in non-cash working capital		
Accounts receivable	(4,787)	(1,491)
Short term investments	63,336	(58,186)
Prepaid expenses	(7,017)	7,161
Accounts payable and accrued liabilities	1,247	(520)
Government remittances	3,623	9,219
Deferred revenue	<u>40,093</u>	<u>39,856</u>
NET INCREASE (DECREASE) IN CASH	47,896	(30,520)
NET CASH, BEGINNING OF YEAR	<u>85,637</u>	<u>116,157</u>
NET CASH, END OF YEAR	<u><u>\$ 133,533</u></u>	<u><u>\$ 85,637</u></u>

CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

1. NATURE OF OPERATIONS

Canadian Sporting Arms and Ammunition Association is a not for profit association incorporated under the laws of Ontario without share capital and is exempt from income tax. Its purpose is to provide leadership to the hunting and shooting industry while promoting the value of hunting and shooting as heritage activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) FINANCIAL INSTRUMENTS

Measurement of financial instruments

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

The association subsequently measures all its financial assets and financial liabilities at amortized cost, except for short term investments which are measured at fair value. Changes in fair value are recognized in net surplus.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. 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 net surplus.

Transaction costs

The association recognizes its transaction costs in net income in the period incurred. However, 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.

(b) CONTRIBUTED MATERIALS AND SERVICES

During the year, a number of organizations and individuals donate materials to the association and a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.

(c) CAPITAL ASSETS EXPENSED

The association expenses capital assets in the year of purchase.

CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

(Unaudited - See Independent Practitioner's Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) USE OF ESTIMATES

The preparation of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(e) REVENUE RECOGNITION

The association follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership revenues are recognized as revenue in the period which they relate, and collection is reasonable assured.

Investment income, which includes interest income, is recognized as revenue when earned.

Revenue from trade shows is recognized when the event occurs and collection is reasonably assured.

Revenue from membership and trade shows received in advance is recorded in deferred revenue.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the association's exposure to these risks did not change in 2019 compared to the previous period.

The association does not have a significant exposure to any individual customer or counterpart.

4. COMMITMENTS

The association has a commitment. Future minimum payments are as follows:

2020	\$ <u>5,000</u>
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CANADIAN SPORTING ARMS AND AMMUNITION ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

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5. UNCERTAINTY RELATED TO NOVEL CORONAVIRUS (COVID-19)

Subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. The global pandemic has disrupted economic activities and has resulted in uncertainty about the occurrence of organization shows and events. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all in person events is unknown.

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