

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Financial Statements

Year Ended December 31, 2015

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION
Index to Financial Statements
Year Ended December 31, 2015

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position - General Fund	3
Statement of Financial Position - Development Fund	4
Statement of Revenues and Expenditures - General Fund	5
Statement of Revenues and Expenditures - Development Fund	6
Statement of Changes in Net Assets	7
Statement of Cash Flow	8
Notes to Financial Statements	9 - 12



INDEPENDENT AUDITOR'S REPORT

To the Members of International Practical Shooting Confederation

I have audited the accompanying financial statements of International Practical Shooting Confederation, which comprise the statements of financial position - general fund and development fund as at December 31, 2015 and the statements of revenues and expenditures - general fund and development fund, changes in net assets and cash flow 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

(continues)

Independent Auditor's Report to the Members of International Practical Shooting Confederation
(continued)

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of International Practical Shooting Confederation as at December 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Oakville, Ontario
June 22, 2016

ROSEMARIE K. FLEISCHER PROFESSIONAL CORPORATION
Chartered Professional Accountant
Authorized to practise public accounting by
the Chartered Professional Accountants of
Ontario

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Statement of Financial Position - General Fund

December 31, 2015

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 562,493	\$ 454,632
Accounts receivable	4,309	9,235
Prepaid expenses	1,945	-
	<u>568,747</u>	<u>463,867</u>
PROPERTY, PLANT AND EQUIPMENT (Note 3)	<u>9,107</u>	<u>11,383</u>
	<u>\$ 577,854</u>	<u>\$ 475,250</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 19,954	\$ 19,838
Deferred income	1,200	1,200
Due to Development Fund	373,649	306,141
	<u>394,803</u>	<u>327,179</u>
NET ASSETS	<u>183,051</u>	<u>148,071</u>
	<u>\$ 577,854</u>	<u>\$ 475,250</u>

ON BEHALF OF THE EXECUTIVE COUNCIL

_____ *President*

_____ *Treasurer*

See accompanying notes to financial statements

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION
Statement of Financial Position - Development Fund
Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
DUE FROM GENERAL FUND	<u>\$ 373,649</u>	<u>\$ 306,141</u>
LIABILITIES AND NET ASSETS		
NET ASSETS	<u>\$ 373,649</u>	<u>\$ 306,141</u>

See accompanying notes to financial statements

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION
Statement of Revenues and Expenditures - General Fund
For the Year Ended December 31, 2015

	2015	2014
REVENUE		
Membership dues	\$ 264,292	\$ 282,984
Sponsorship and advertising	256,540	83,174
Other income	90,809	15,106
Match fees	26,885	80,567
Royalty fees	6,070	66,558
Seminar fees	720	1,470
	<u>645,316</u>	<u>529,859</u>
EXPENSES		
Sponsorship and advertising	247,882	82,696
Travel	112,025	126,910
Premises	55,637	48,498
Salary and benefits	51,344	55,483
Internet and website	38,593	46,898
Meetings	29,073	17,524
Office and general	28,537	17,443
Professional fees	18,136	17,741
Interest and bank charges	9,732	10,332
Awards	9,600	-
International Range Officer Association	7,500	10,000
Amortization	2,277	2,846
	<u>610,336</u>	<u>436,371</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 34,980</u>	<u>\$ 93,488</u>

See accompanying notes to financial statements

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION
Statement of Revenues and Expenditures - Development Fund
For the Year Ended December 31, 2015

	2015	2014
PATRON MEMBERSHIP	\$ 67,508	\$ 241,187
EXPENSES	-	-
EXCESS OF REVENUE OVER EXPENSES	\$ 67,508	\$ 241,187

See accompanying notes to financial statements

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Statement of Changes in Net Assets

Year Ended December 31, 2015

	General Fund	Development Fund	2015	2014
NET ASSETS - BEGINNING OF YEAR	\$ 148,071	\$ 306,141	\$ 454,212	\$ 119,537
Excess of revenue over expenses	34,980	67,508	102,488	334,675
NET ASSETS - END OF YEAR	\$ 183,051	\$ 373,649	\$ 556,700	\$ 454,212

See accompanying notes to financial statements

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Statement of Cash Flow

Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Excess of revenue over expenses - General Fund	\$ 34,980	\$ 93,488
Excess of revenue over expenses - Development Fund	67,508	241,187
Items not affecting cash:		
Amortization of property, plant and equipment	2,277	2,846
	<u>104,765</u>	<u>337,521</u>
Changes in non-cash working capital:		
Accounts receivable	4,926	7,947
Accounts payable	115	(22,280)
Deferred income	-	(36,342)
Prepaid expenses	(1,945)	-
	<u>3,096</u>	<u>(50,675)</u>
INCREASE IN CASH FLOW	107,861	286,846
Cash - beginning of year	<u>454,632</u>	<u>167,786</u>
CASH - END OF YEAR	\$ 562,493	\$ 454,632
CASH CONSISTS OF:		
Cash - General Fund	<u>\$ 562,493</u>	<u>\$ 454,632</u>
	<u>\$ 562,493</u>	<u>\$ 454,632</u>

See accompanying notes to financial statements

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Notes to Financial Statements

Year Ended December 31, 2015

1. PURPOSE OF ORGANIZATION

International Practical Shooting Confederation (the "Confederation") is an unincorporated not-for-profit organization, organized in 1976, which sponsors practical competitions, awards champion titles and provides training for range officers and practical shooter athletes in member regions around the world. The Confederation is a not-for-profit organization and is, consequently, exempt from income taxes except as to tax on income from property being interest and royalty fees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the year in which they become known. Actual results could differ from these estimates.

Fund accounting

The financial statements are prepared on a restricted fund accounting basis. Separate funds have been established in order that limitations and restrictions may be placed on the use of funds raised for special purposes. The funds administered are:

(i) General Fund

Revenues and expenses related to the general program delivery and administrative activities are reported in the General fund.

(ii) Development Fund

Proceeds from the patron contributions are reported in the Development fund.

Revenue recognition

Membership dues, match fees, patron fees, seminar fees, sponsorships and royalty fees are recognized as revenue in the year in which they are received. Affiliation and per capital fees are recognized as revenue in the year they are due.

(continues)

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Notes to Financial Statements

Year Ended December 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost less accumulated amortization. Property, plant and equipment are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Furniture and fixtures	20%
------------------------	-----

The Confederation regularly reviews its property, plant and equipment to eliminate obsolete items.

In the year of acquisition, property, plant and equipment are amortized at 50% of the above annual rates.

Financial instruments

Measurement of financial instruments

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

The Confederation 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 net income.

Financial assets measured at amortized cost include cash and sales tax receivable.

Financial liabilities measured at amortized cost consists accounts payable.

The Confederation has not designated any financial asset or financial liability to be measured at fair value.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. 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 income.

Transaction costs

The Confederation 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.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Notes to Financial Statements

Year Ended December 31, 2015

3. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture and fixtures	\$ 19,210	\$ 10,103	\$ 9,107	\$ 11,383

4. NET ASSETS

Net assets consist of the following funds:

	2015	2014
Development fund	\$ 454,212	\$ 306,141
General fund	102,488	148,071
	\$ 556,700	\$ 454,212

Commencing fiscal year 2011, the Confederation created the Development fund from the proceeds of patron contributions. These funds, and the proceeds from their investments are to be used specifically and exclusively for the development of the aims of the Confederation. During the year \$67,508 of patron contributions (2014 - \$266,327) were segregated to the fund and \$NIL in expenses (2014- \$25,140) were charged to the fund, for a net increase of \$67,508 (2014 - 241,187).

5. RELATED PARTY TRANSACTIONS AND BALANCES

During the fiscal year the Confederation received and paid for the following services from related parties of the Executive Council.

	2015	2014
(a) Salary and benefits paid to N. Alexikos, IPSC President:	\$ 50,000	\$ 57,644
(b) Accounting services from Henderson Partners, LLP, a partnership in which L.J. Henderson, IPSC Treasurer is a Partner:	11,526	11,526
(c) Premise rent paid to 151 Lakeshore Road West Inc., a corporation in which L.J. Henderson and N.Alexikos are minority shareholders:	44,748	44,806
(d) Commission fees paid for advertising sold in IPSC Magazine to Alain Joly, IPSC General Secretary:	5,669	8,319

INTERNATIONAL PRACTICAL SHOOTING CONFEDERATION

Notes to Financial Statements

Year Ended December 31, 2015

6. FINANCIAL INSTRUMENTS

The Confederation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the confederation's risk exposure and concentration as of December 31, 2015. There have been no significant changes to the confederation's risk profile since December 31, 2014.

Liquidity risk

Liquidity risk is the risk that the confederation will not be able to meet its obligations as they become due. The confederation manages this risk by establishing budgets and funding plans sufficient to fund its operating expenses.

Currency risk

Currency risk is the risk to the confederation's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The confederation is exposed to foreign currency exchange risk on cash, and accounts receivable. The confederation does not use derivative instruments to reduce its exposure to foreign currency risk.

Unless otherwise noted, it is management's opinion that the confederation does not have significant exposure to interest rate, credit or other price risk.

7. CONTRACTUAL OBLIGATIONS

As at year end, the Confederation is committed under the terms of a 2 year lease for rental of premises ending September 1, 2017 . Minimum lease payments due in 2016 are \$22,800 and \$17,100 in 2017.

8. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
