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SENADO DE PUERTO RICO

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PA ARMANDO AVILES GALLOZA & CO. PSC OFICINA DEL SECRETARIO
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
For the year ended September 30, 2022

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico

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September 30, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Director's
Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
San Juan, Puerto Rico

Report on the Financial Statements

We have audited the accompanying financial statements of Puerto Rico Shooting Association Inc., also known as Federación de Tiro de Armas y Rifles de Puerto Rico, which comprise the statements of financial position as of September 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

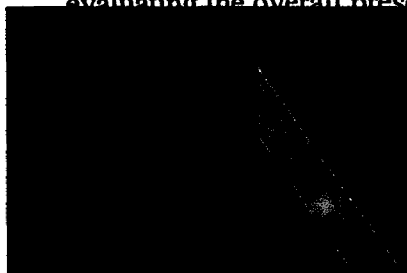
Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 is sufficient and appropriate to provide a basis for our audit opinion.

Other Mater

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of Operating and Administrative Expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Puerto Rico Shooting Association, Inc. as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.



CPA Armando Aviles Galloza & Co, PSC
Lic. #177
Exp. 12/01/2023

The stamp E510246 of the
Puerto Rico Society of CPA
was affixed to the original of this report



Puerto Rico Shooting Association, Inc.
Federación De Tiro De Armas Cortas y Rifles De Puerto Rico
BALANCE SHEET
September 30, 2022

ASSETS

CURRENT ASSETS

Cash in bank	\$ 982,537
Total Current Assets	<u>982,537</u>

PROPERTY AND EQUIPMENT (Note B3)

Fixed Assets	126,783
Less: Accumulated Depreciation	<u>(120,466)</u>
Net Property and Equipment	<u>6,317</u>

TOTAL ASSETS	\$ <u>988,854</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ -
Total Current Liabilities	<u>-</u>

TOTAL LIABILITIES	-
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NET ASSETS

Fund Balance - Restricted by Donors	-
Fund Balance - Unrestricted by Donors	<u>988,854</u>
Total Net Assets	<u>988,854</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u>988,854</u>
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The accompanying notes are integral part of these financial statements

Puerto Rico Shooting Association, Inc.
Federación De Tiro de Armas Cortas y Rifles De Puerto Rico
INCOME STATEMENT AND CHANGES IN NET ASSETS
For the year ended September 30, 2022

	<u>UNRESTRICTED</u>
INCOME	
Services and Other Income	\$ 88,868
EXPENSES	
Program Expenses	179,878
General and Administrative Expenses	32,002
Depreciation	8,617
Total Expenses	220,497
NET LOSS OF FUND BALANCE	(131,629)
UNRESTRICTED FUND BALANCE, BEGINNING OF YEAR	1,120,483
UNRESTRICTED FUND BALANCE, ENDING OR YEAR	\$ 988,854

The accompanying notes are an integral part of these financial statements

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
STATEMENT OF CASH FLOWS
For the year ended September 30, 2022

CASH FLOWS FORM OPERATING ACTIVITIES

Change in net assets	\$ (131,629)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	8,617
Changes in current assets and liabilities	
Increase in accounts payable	-
Decrease in account receivable	-
Decrease in prepaid expenses	-
Decrease in accrued	(1)
Total adjustments	<u>8,616</u>
Net cash used in operating activities	<u>(123,013)</u>
NET DECREASE IN CASH	(123,013)
CASH AT BEGINNING OF YEAR	<u>1,105,550</u>
CASH AT END OF YEAR	<u><u>\$ 982,537</u></u>

The accompanying notes are an integral part of these financial statement

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

Puerto Rico Shooting Association, Inc., also known as Federación de Tiro de Armas Cortas y Rifles de Puerto Rico (the Association) is a nonprofit corporation dedicated to promoting the sport of target shooting in Puerto Rico. The Association was incorporated in 1996 (Reg.# 8427) under the laws and regulations of the Commonwealth of Puerto Rico and is supported primarily by the sales stamps, affiliation to the different shooting clubs. In addition, it receives input from the Puerto Rico Olympic Committee.

The Association is exempt from the payment of income taxes pursuant to Section 1101 of the Income Tax Act of 1954, as amended. The Association understands that it meets all the exemption requirements which were granted and recognizes that failure to comply with these requirements could consider the re-evaluation of the continuity of the qualification for the exemption and its corresponding tax consequences. Currently, the Association does not maintain any investigation in progress with the relevant tax authorities.

b. Summary of Significant Accounting Policies

1. Basis of Accounting

This summary of significant accounting policies of the Association is presented to assist in understanding the company's financial statements. The financial statements and notes are representations of the Association's management and owners who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of these financial statements. The financial statements presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Association is required to report information regarding its financial position, a statement of activities and change in net assets and a statement of cash flow.

See independent auditor's report.

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES –
Continued**

2. Revenue and Cost Recognition

The accounting records of the corporation are maintained on the accrual method of accounting. The Accrual method records revenues when earned independent of when it's received, and expenses are recorded when incurred independent of when it's paid.

3. Property and Equipment

Property and equipment are stated at cost or stated at cost or at fair value at the time of receipt, if donated, plus any incidental cost related to it such as freight, excise taxes and transportation. Routine maintenance and repairs are charged to expense as incurred. Cost of major renewals and betterments which extend useful lives are capitalized. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated assets to a specific purpose. Depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of assets.

Major classes of assets and its respective estimated useful lives is as follows:

Guns	5-10 years
Equipment	5-7 years
Vehicles	5 years
Improvements	10-15 years

4. Cash & cash equivalents

The Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

See independent auditor's report.

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

5. Donations

Donations are recognized when an unconditional promise is made or when the conditions of the promise are substantially met. Donations restricted by donors for the acquisition of fixed assets are reported as net assets without donor restrictions once the fixed assets are acquired.

6. Operating Expenses

Operating expenses and other activities costs have been presented divided into Program Expenses and General & Administrative Expenses. Program expenses include expenses directly related to the mission of the entity. General and administrative expenses are expenses related to the management of the Association. Professional service expenses have been distributed among those classifications based on personnel used for the activities and their direct cost. Management expenses have been allocated in its entirety to the administrative expenses without considering their input on the program expenses.

7. Use of Estimates

The preparation of financial statements is conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. TAX STATUS

No provision was recorded for income tax since the Association is a non-profit corporation exempt from paying income taxes under the provisions of Sub-Chapter A, Section 1101 with case number 96-1101 (4)-205 of the Commonwealth of Puerto Rico Tax Code and, accordingly, the financial statements do not reflect a provision for income taxes.

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include accounts payable trade, payroll taxes, property, and municipal taxes.

4. REVENUES

The revenues for the year ended September 30, 2022, were the following:

Membership Fees	\$ 39,061
Olympic Committee	18,900
Refunds	8,025
Interest	3,030
Legislative Contribution	12,000
Other income	<u>7,852</u>
Total	\$ 88,868

5. CONCENTRATION OF CREDIT RISK

Financial instruments that potentially expose the Association to concentration of credit risk include cash and accounts receivable. The Association maintains its deposit accounts with several high-quality financial institutions. The funds on these institutions are insured by the Federal Deposit Insurance Corporation for aggregate customer deposits up to \$250,000. While the Association attempts to limit any financial exposure, its deposit balance may, at times exceed federally insured limits. The amount of uninsured cash balances as of September 30, 2022, is \$732,537.

6. CONTINGENCIES

The Association is involved from the time to time in litigation arising from the normal cost of business including warranty claims from clients and claims of ex-employees, none of which in the opinion of management will have a material adverse effect on its financial position and results of operations.

See independent auditor's report.

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
NOTES TO FINANCIAL STATEMENTS
September 30, 2022

7. SALES TAX

The Commonwealth of Puerto Rico and their 78 municipalities impose sales and use taxes on certain sales and services the Association provides. For the period presented in these financial statements the Association is exempt from collecting the state and municipal sales tax.

8. ACCOUNTING FOR IMPAIRMENT OF LONG-LIVED ASSETS

The Association continually evaluated its long-lived assets to determine whether current events and circumstances warrant adjustment to the carrying values or amortization periods. The Association measures impairment whenever events or changes in circumstances indicate that the carrying amount of an assets may not be recoverable. In performing the review for recoverability, an estimate of the future cash flows expected to result from the use of the asset and its eventual disposition must be made. If the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized. The impairment loss, if any, is determined as the difference between the carrying amount and fair value of the asset. No impairment loss was recognized during the year ended September 30, 2022.

9. FIXED ASSETS RETIREMENT

During the year ended September 30, 2022, the Association retire from its books fixed assets amounting to \$43,729 which were already completely depreciated. There was no cash flow effect on this asset retirement.

10. SUBSEQUENT EVENT

Management has evaluated subsequent events up to the date these financial statements were available to be issued, November 25, 2022, and has determined that no events have occurred during this period that require additional adjustments and/or disclosures to the financial statements.

See independent auditor's report.

Puerto Rico Shooting Association, Inc.
Federación de Tiro de Armas Cortas y Rifles de Puerto Rico
OPERATIONAL EXPENSES SCHEDULE
For the year ended September 30, 2022

OTHER SUPPLEMENTARY INFORMATION

Program Expenses:

Competences	\$ 74,582
Training	20,242
Insurance	18,303
Marginal Benefits	14,400
Donations	13,690
Reimbursement	10,029
Professional Services	8,345
Materials and Equipment	8,192
Official Expenses	5,208
Advertising and Promotion	2,546
Uniforms	2,336
Club and Athletes (Aid)	<u>2,005</u>
Total program Expenses	179,878

General and Administrative Expenses:

Maintenance and Reports	15,781
Professional Services	4,160
Annual Meeting Expense	2,565
Miscellaneous Expense	2,300
Bank Charges	1,919
Utilities	1,314
Office Expense	1,390
Telephone	1,176
Memberships	536
Motor Vehicles	501
Rent	<u>360</u>
Total General and Administrative Expense	<u>32,002</u>

Total Operating Expense **\$ 211,880**

See independent auditor's report.