

CANADIAN GOAT SOCIETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2016

(Unaudited - See Review Engagement Report)

CANADIAN GOAT SOCIETY
INDEX TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2016
(Unaudited - See Review Engagement Report)

	Page
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



Chartered
Professional
Accountants

REVIEW ENGAGEMENT REPORT

To the members of Canadian Goat Society

We have reviewed the statement of financial position of Canadian Goat Society as at August 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the organization.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not for profit organizations.

A handwritten signature in black ink that reads 'RLB LLP'.

Guelph, Ontario
October 20, 2016

Chartered Professional Accountants
Licensed Public Accountants

CANADIAN GOAT SOCIETY
STATEMENT OF FINANCIAL POSITION

AS AT AUGUST 31, 2016

(Unaudited - See Review Engagement Report)

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 16,694	\$ 18,409
Accounts receivable	12,694	8,823
Inventory	462	1,900
Prepaid expenses	<u>0</u>	<u>837</u>
	29,850	29,969
CAPITAL ASSETS (note 4)	<u>0</u>	<u>411</u>
	<u>\$ 29,850</u>	<u>\$ 30,380</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 10,715	\$ 5,547
Government remittances payable	6,332	3,207
CGS Youth Scholarship payable	1,679	670
Deferred income	<u>6,360</u>	<u>3,411</u>
	<u>25,086</u>	<u>12,835</u>
NET ASSETS		
NET ASSETS	<u>4,764</u>	<u>17,545</u>
	<u>\$ 29,850</u>	<u>\$ 30,380</u>

CANADIAN GOAT SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2016
(Unaudited - See Review Engagement Report)

	2016	2015
NET ASSETS, beginning of year	\$ 17,545	\$ 7,721
Net (deficit) surplus for the year	<u>(12,781)</u>	<u>9,824</u>
NET ASSETS, end of year	<u>\$ 4,764</u>	<u>\$ 17,545</u>

CANADIAN GOAT SOCIETY
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2016
(Unaudited - See Review Engagement Report)

	2016	2015
REVENUES		
Membership fees and registrations	\$ 106,969	\$ 106,957
Dairy classifications	17,456	10,537
Shows	6,924	4,114
Advertising	4,713	3,677
Milk testing	1,044	1,959
Semen sales	733	436
Miscellaneous revenues	717	1,663
Judges' training	<u>225</u>	<u>5,325</u>
	<u>138,781</u>	<u>134,668</u>
EXPENDITURES		
Canadian Livestock Record Corporation - levy	42,531	37,928
Salaries and benefits	28,529	39,672
Alliance Partnership Agreement	26,650	0
Dairy classification expenses	12,850	8,921
Annual meeting	8,858	6,215
Quarterly magazine expenses	8,163	2,856
Office	5,536	3,526
Canadian Livestock Record Corporation - other	5,188	4,715
Rent	2,901	5,701
Genetic evaluation - C.C.S.I.	2,500	4,280
Professional fees	2,500	5,000
Shows	2,393	1,733
Telephone	1,425	1,212
Milk testing	636	511
Judges' training	270	2,094
Interest and bank charges	221	207
Amortization	<u>0</u>	<u>273</u>
	<u>151,151</u>	<u>124,844</u>
(DEFICIT) SURPLUS BEFORE LOSS ON DISPOSAL OF CAPITAL ASSETS	(12,370)	9,824
LOSS ON DISPOSAL OF CAPITAL ASSETS	<u>(411)</u>	<u>0</u>
NET (DEFICIT) SURPLUS for the year	<u>\$ (12,781)</u>	<u>\$ 9,824</u>

CANADIAN GOAT SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2016
(Unaudited - See Review Engagement Report)

	2016	2015
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net (deficit) surplus for the year	\$ (12,781)	\$ 9,824
Items not requiring an outlay of cash		
Amortization	0	273
Loss on disposal of capital assets	<u>411</u>	<u>0</u>
	(12,370)	10,097
Changes in non-cash working capital		
Accounts receivable	(3,871)	(6,722)
Inventory	1,438	(1,097)
Prepaid expenses	837	(435)
Accounts payable and accrued liabilities	5,168	(1,828)
Government remittances payable	3,125	2,627
CGS Youth Scholarship payable	1,009	670
Deferred income	<u>2,949</u>	<u>(5,268)</u>
NET DECREASE IN CASH	(1,715)	(1,956)
NET CASH, BEGINNING OF YEAR	<u>18,409</u>	<u>20,365</u>
NET CASH, END OF YEAR	<u><u>\$ 16,694</u></u>	<u><u>\$ 18,409</u></u>

CANADIAN GOAT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016
(Unaudited - See Review Engagement Report)

1. NATURE OF ORGANIZATION

Canadian Goat Society is a not for profit organization incorporated under the Livestock Pedigree Act, Canada without share capital. Canadian Goat Society is exempt from income tax. Its purpose is to promote good breeding of goats to obtain higher standards. The majority of revenue for the Society is from membership fees paid by Canadian goat farmers and fees for registering a goat with the Society.

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) INVENTORIES

Inventories are measured at the lower of cost and net realizable value, with cost being determined on a first-in first-out (FIFO) basis. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

(b) CAPITAL ASSETS

Capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and fixtures	- 10	years straight line basis
Computer hardware	- 3	years straight line basis

(c) IMPAIRMENT OF LONG LIVED ASSETS

Long lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(d) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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. Significant areas requiring management's estimates include accrued liabilities. Actual results could differ from those estimates.

CANADIAN GOAT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016
(Unaudited - See Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) FINANCIAL INSTRUMENTS

Measurement of financial instruments

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

The organization subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and CGS Youth Scholarship payable.

There are no financial assets measured at fair value.

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 organization 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.

(f) CONTRIBUTED MATERIALS AND SERVICES

During the year, a number of organizations and individuals donate materials to the organization 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.

CANADIAN GOAT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2016
(Unaudited - See Review Engagement Report)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. 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.

Shows revenue is recognized as revenue when these events occur.

Member fees are recognized as revenue proportionately over the fiscal year to which they relate.

Other revenue is recognized when earned.

3. FINANCIAL INSTRUMENTS

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

The extent of the organization's exposure to these risks did not change in 2016 compared to the previous period.

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

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2016	Net 2015
Furniture and fixtures	\$ 0	\$ 0	\$ 0	\$ 0
Computer hardware	<u>0</u>	<u>0</u>	<u>0</u>	<u>411</u>
	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 411</u>

5. CORRESPONDING FIGURES

Certain figures presented for corresponding purposes have been reclassified to conform to the current year's presentation.

The prior year financial statements were audited by the previous accounting firm.