

CANADIAN GOAT SOCIETY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2017

(Unaudited - See Review Engagement Report)

CANADIAN GOAT SOCIETY
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YEAR ENDED AUGUST 31, 2017
(Unaudited - See Review Engagement Report)

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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, 2017 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 12, 2017

Chartered Professional Accountants
Licensed Public Accountants

CANADIAN GOAT SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT AUGUST 31, 2017

(Unaudited - See Review Engagement Report)

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 42,709	\$ 16,694
Accounts receivable	16,978	12,694
Inventory	<u>701</u>	<u>462</u>
	<u>\$ 60,388</u>	<u>\$ 29,850</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 26,246	\$ 10,715
Government remittances payable	652	6,332
CGS Youth Scholarship payable	2,629	1,679
Deferred income	<u>8,736</u>	<u>6,360</u>
	<u>38,263</u>	<u>25,086</u>
NET ASSETS		
NET ASSETS	<u>22,125</u>	<u>4,764</u>
	<u>\$ 60,388</u>	<u>\$ 29,850</u>

CANADIAN GOAT SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED AUGUST 31, 2017
(Unaudited - See Review Engagement Report)

	2017	2016
NET ASSETS, beginning of year	\$ 4,764	\$ 17,545
Net surplus (deficit) for the year	<u>17,361</u>	<u>(12,781)</u>
NET ASSETS, end of year	<u>\$ 22,125</u>	<u>\$ 4,764</u>

CANADIAN GOAT SOCIETY
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED AUGUST 31, 2017
(Unaudited - See Review Engagement Report)

	2017	2016
REVENUES		
Membership fees and registrations	\$ 126,592	\$ 106,969
Dairy classifications	17,450	17,456
Shows	9,516	6,924
Judges' training	5,126	225
Miscellaneous revenues	4,136	717
Advertising	2,505	4,713
Milk testing	1,708	1,044
Semen sales	217	733
	<u>167,250</u>	<u>138,781</u>
EXPENDITURES		
Canadian Livestock Record Corporation - levy	53,813	42,531
Alliance Partnership Agreement	49,200	26,650
Dairy classification expenses	12,733	12,850
Annual meeting	6,996	8,858
Canadian Livestock Record Corporation - other	6,799	5,188
Quarterly magazine expenses	5,059	8,163
Judges' training	3,163	270
Office	3,090	5,536
Professional fees	2,815	2,500
Genetic evaluation - C.C.S.I.	2,500	2,500
Shows	2,068	2,393
Interest and bank charges	704	221
Telephone	540	1,425
Milk testing	350	636
Salaries and benefits	59	28,529
Rent	0	2,901
	<u>149,889</u>	<u>151,151</u>
SURPLUS (DEFICIT) BEFORE LOSS ON DISPOSAL OF CAPITAL ASSETS	17,361	(12,370)
LOSS ON DISPOSAL OF CAPITAL ASSETS	<u>0</u>	<u>(411)</u>
NET SURPLUS (DEFICIT) for the year	<u>\$ 17,361</u>	<u>\$ (12,781)</u>

CANADIAN GOAT SOCIETY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2017
(Unaudited - See Review Engagement Report)

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net surplus (deficit) for the year	\$ 17,361	\$ (12,781)
Loss on disposal of capital assets	<u>0</u>	<u>411</u>
	17,361	(12,370)
Changes in non-cash working capital		
Accounts receivable	(4,284)	(3,871)
Inventory	(239)	1,438
Prepaid expenses	0	837
Accounts payable and accrued liabilities	15,531	5,168
Government remittances payable	(5,680)	3,125
CGS Youth Scholarship payable	950	1,009
Deferred income	<u>2,376</u>	<u>2,949</u>
NET INCREASE (DECREASE) IN CASH	26,015	(1,715)
NET CASH, BEGINNING OF YEAR	<u>16,694</u>	<u>18,409</u>
NET CASH, END OF YEAR	<u><u>\$ 42,709</u></u>	<u><u>\$ 16,694</u></u>

CANADIAN GOAT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017
(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) 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.

(c) 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.

CANADIAN GOAT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2017
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) FINANCIAL INSTRUMENTS (continued)

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.

(d) 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.

(e) 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 2017 compared to the previous period.

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