

CANADIAN GOAT SOCIETY

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED DECEMBER 31, 2018

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

CANADIAN GOAT SOCIETY

INDEX TO THE FINANCIAL STATEMENTS

PERIOD ENDED DECEMBER 31, 2018

(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 Unrestricted Net Assets	5
Statement of Revenues and Expenditures	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 9



Chartered
Professional
Accountants

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of Canadian Goat Society

We have reviewed the accompanying financial statements of Canadian Goat Society that comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in unrestricted net assets and cash flows for the period 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 Goat Society as at December 31, 2018 and the results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not for profit organizations.

Guelph, Ontario
February 20, 2019

Chartered Professional Accountants
Licensed Public Accountants

CANADIAN GOAT SOCIETY
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

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

	December 31 2018	August 31 2018
ASSETS		
CURRENT		
Cash	\$ 22,719	\$ 33,646
Accounts receivable	27,894	12,556
Inventories	<u>0</u>	<u>680</u>
	<u>\$ 50,613</u>	<u>\$ 46,882</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,795	\$ 7,670
Government remittances payable	11,078	5,300
CGS Youth Scholarship payable	3,321	3,321
Deferred income	<u>1,838</u>	<u>3,263</u>
	<u>23,032</u>	<u>19,554</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>27,581</u>	<u>27,328</u>
	<u>\$ 50,613</u>	<u>\$ 46,882</u>

CANADIAN GOAT SOCIETY

STATEMENT OF CHANGES IN UNRESTRICTED NET ASSETS

FOR THE PERIOD ENDED DECEMBER 31, 2018

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

	December 31 2018	August 31 2018
UNRESTRICTED NET ASSETS, beginning of period	\$ 27,328	\$ 22,125
Net surplus for the period	<u>253</u>	<u>5,203</u>
UNRESTRICTED NET ASSETS, end of period	<u>\$ 27,581</u>	<u>\$ 27,328</u>

CANADIAN GOAT SOCIETY
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE PERIOD ENDED DECEMBER 31, 2018

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

	December 31 2018 (4 months)	August 31 2018 (12 months)
REVENUES		
Membership fees and registrations	\$ 44,980	\$ 114,695
Shows	4,632	10,955
Semen sales	840	421
Advertising	200	3,769
Milk testing	83	9,340
Dairy classifications	0	5,636
Judges' training	0	150
	<u>50,735</u>	<u>144,966</u>
EXPENDITURES		
Canadian Livestock Record Corporation - levy	17,391	44,717
Salaries and benefits	17,208	21,506
Annual meeting	5,865	6,952
Professional fees	2,650	2,550
Office	2,457	4,510
Quarterly magazine expenses	2,115	4,757
Canadian Livestock Record Corporation - other	1,383	7,944
Shows	1,014	888
Telephone	260	526
Interest and bank charges	139	300
Alliance Partnership Agreement	0	32,800
Dairy classification expenses	0	3,591
Genetic evaluation - C.C.S.I.	0	8,500
Milk testing	0	222
	<u>50,482</u>	<u>139,763</u>
NET SURPLUS for the period	<u>\$ 253</u>	<u>\$ 5,203</u>

CANADIAN GOAT SOCIETY
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2018

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

	December 31 2018 (4 months)	August 31 2018 (12 months)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net surplus for the period	\$ 253	\$ 5,203
Changes in non-cash working capital		
Accounts receivable	(15,338)	4,422
Inventories	680	21
Accounts payable and accrued liabilities	(875)	(18,576)
Government remittances payable	5,778	4,648
CGS Youth Scholarship payable	0	692
Deferred income	<u>(1,425)</u>	<u>(5,473)</u>
NET DECREASE IN CASH	(10,927)	(9,063)
NET CASH, BEGINNING OF PERIOD	<u>33,646</u>	<u>42,709</u>
NET CASH, END OF PERIOD	<u>\$ 22,719</u>	<u>\$ 33,646</u>

CANADIAN GOAT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2018

(Unaudited - See Independent Practitioner's 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 replacement value.

(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.

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.

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.

CANADIAN GOAT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2018

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) **FINANCIAL INSTRUMENTS** (continued)

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.

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

All 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 2018 compared to the previous period.

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