

Canadian Sheep Breeders Association

Financial Statements
as at
31st. December, 2015

Glen L. Williams
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AUDITOR'S REPORT

To the Members of

Canadian Sheep Breeders Association

I have audited the Balance Sheet of the Canadian Sheep Breeders Association as at 31st. December, 2015 and the Statement of Operations and net assets and cash flow for the year then ended. These financial statements are the responsibility of the association's management. 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. These standards require that I perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the association as at 31st. December, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.



23rd February, 2016

Magrath, Alberta

Glen L. Williams

Chartered Accountant

Canadian Sheep Breeders Association

Balance Sheet as at 31st. December, 2015

	<u>2015</u>	<u>2014</u>
<u>Assets</u>		
<u>Current</u>		
Cash	\$ 91,116	\$ 50,605
Accounts receivables and prepaid expenses	<u>194</u>	<u>465</u>
	\$ <u>91,310</u>	\$ <u>51,070</u>
Investments (Note 2)	\$ <u>418,894</u>	\$ <u>426,430</u>
	\$ <u>510,204</u>	\$ <u>477,500</u>
<u>Liabilities</u>		
<u>Current</u>		
Accounts payable and accrued liabilities	\$ 39,140	\$ 17,145
Members' accounts payable (Note 5)	<u>12,566</u>	<u>10,646</u>
	\$ <u>51,706</u>	\$ <u>27,791</u>
<u>Net Assets</u>		
Restricted for research (Note 3)	\$ 45,791	\$ 45,160
Unrestricted	<u>412,707</u>	<u>404,549</u>
	\$ <u>458,498</u>	\$ <u>449,709</u>
	\$ <u>510,204</u>	\$ <u>477,500</u>

Approved on behalf of the Board:

Director

Canadian Sheep Breeders Association

Statement of Operations
for the year ended 31st. December, 2015

	<u>2015</u>	<u>2014</u>
<u>Revenue</u>		
Registrations, transfer fees and memberships	\$ 215,125	\$ 219,695
Investment income	10,096	8,781
Other income	<u>22</u>	<u>511</u>
	\$ <u>225,243</u>	\$ <u>228,987</u>
<u>Expenses</u>		
Office and administration	\$ 52,079	\$ 51,944
Directors' and committees	5,198	4,473
Other	<u>159,177</u>	<u>169,636</u>
	\$ <u>216,454</u>	\$ <u>226,053</u>
Excess of revenue over expenses	\$ <u>8,789</u>	\$ <u>2,934</u>

Canadian Sheep Breeders Association

Statement of Changes in Net Assets
for the year ended 31st. December, 2015

	<u>2015</u>			<u>2014</u>
	Restricted for <u>Research</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of the year	\$ 45,160	\$ 404,549	\$ 449,709	\$ 446,775
Transfer to restricted for research	11,631	(11,631)		
Revenue over expenditures	<u>(11,000)</u>	<u>19,789</u>	<u>8,789</u>	<u>2,934</u>
	<u>\$ 45,791</u>	<u>\$ 412,707</u>	<u>\$ 458,498</u>	<u>\$ 449,709</u>

Canadian Sheep Breeders Association

Statement of Cash Flow
for the year ended 31st. December, 2015

	<u>2015</u>	<u>2014</u>
Cash provided by: (used for:)		
Operating activities		
Excess of revenue over expenses	\$ 8,789	\$ 2,934
Changes in non-cash working capital (Note 4)	<u>24,186</u>	<u>(5,247)</u>
	\$ <u>32,975</u>	\$ <u>(2,313)</u>
Investing activities		
Sale (purchase) of investments - net	\$ <u>7,536</u>	\$ <u>(32,949)</u>
Increase (decrease) in cash during the year	\$ 40,511	\$ (35,262)
Cash, beginning of the year	<u>50,605</u>	<u>85,867</u>
Cash, end of the year	\$ <u>91,116</u>	\$ <u>50,605</u>

Canadian Sheep Breeders Association

Notes to the Financial Statements
as at 31st. December, 2015

1). Summary of significant accounting policies:

Nature of Business

The organization is incorporated under the Laws Of Canada. The primary purposes of the organization is to provide a system of registration for purebred sheep in Canada, including establishing standards, assisting breeders and maintaining breeding records.

The organization is a non-profit organization and is exempt from income tax under the Income Tax Act.

Revenue recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received if the amount to be received can reasonable be estimated and collected is reasonable assured. Endowment contributions are recognized as direct increase in net assets. Restricted investment income is recognized as revenue in the year in which related expenses are incurred. Unrestricted investment income is recognized when earned.

Investments

Investments are carried at the lower of cost and net realizable value.

Financial Instruments

The association's financial instruments consist of cash, short term investments, accounts receivables, investments and accounts payable. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair market value of these financial instruments approximate their carrying value, unless otherwise noted.

2). Investments

	<u>2015</u>	<u>2014</u>
Steinback Credit Union GIC @ 2.60\$ per annum matures October 11, 2016	\$ 25,000	\$ 25,000
CIBC GIC @ .90% per annum, matures March 24, 2016	25,990	25,682
Steinback Credit Union term deposit @ 2.25% per annum, matures August 12, 2016	104,557	102,256
Steinback Credit Union term deposit @ 2.25% per annum, matures April 16, 2018	125,000	
Steinback Credit Union Term deposit @ 2.05% per annum, Matures April 12, 2015		138,540
Steinback Credit Union term deposit @ 2.60% per annum, matures March 1, 2017	133,612	130,217

Canadian Sheep Breeders Association

Notes to the Financial Statements
as at 31st. December, 2015

2). Investments continued

	<u>2015</u>	<u>2014</u>
Canadian Co-operative Wool Growers Ltd 460 common share	\$ 4,600	\$ 4,600
Credit Union Shares	<u>135</u>	<u>135</u>
	<u>\$ 418,894</u>	<u>\$ 426,430</u>

3). Restricted for research

Balance, beginning of the year	\$ 45,160	\$ 45,231
<u>Add:</u> transfer for research	11,631	10,929
<u>Deduct:</u> research expenses	<u>(11,000)</u>	<u>(11,000)</u>
Balance, end of the year	<u>\$ 45,791</u>	<u>\$ 45,160</u>

4). Statement of cash flow

Changes in non-cash working capital balance
is made as follows:

Decrease (increase) in accounts receivables and prepaid expenses	\$ 271	\$ (465)
Increase (decrease) in accounts payable	21,995	(11,453)
Increase (decrease) in members' accounts payable	<u>1,920</u>	<u>6,671</u>
	<u>\$ 24,186</u>	<u>\$ (5,247)</u>

5). Members' accounts payable

This account represented amounts received by CLRC from Association members for which transfers or registrations have not been processed as of the year end.

Canadian Sheep Breeders Association

Schedule of Expenses
for the year ended 31st. December, 2015

	<u>2015</u>	<u>2014</u>
<u>Office and administration</u>		
General manager contract	\$ 39,996	\$ 39,935
Office and other	3,654	4,538
Telephone	722	711
Postage and courier	766	1,518
Insurance	3,124	3,058
Audit	1,550	1,350
Bank service charges	691	834
Office travel	<u>1,576</u>	<u> </u>
	<u>\$ 52,079</u>	<u>\$ 51,944</u>
 <u>Directors and committees</u>		
Director expenses	<u>\$ 5,198</u>	<u>\$ 4,473</u>
 <u>Other</u>		
Record levy CLRC	\$ 98,815	\$ 110,404
Annual meeting	30,319	31,448
Parentage testing	3,835	2,443
Sheep Classic - Net	(4,904)	(12,653)
Research expenses	11,000	11,000
Market development and promotion	9,497	10,514
Website	1,462	6,381
Classic grant	5,000	5,000
Classic commission	<u>4,153</u>	<u>5,099</u>
	<u>\$ 159,177</u>	<u>\$ 169,636</u>