

Canadian Sheep Breeders Association

Financial Statements
as at
31st. December, 2023

Glen L. Williams
Chartered Accountant
Magrath, Alberta

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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, 2023 and Net Assets and Cash Flow and Statement of Operations 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 conduct 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 amounts 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, 2023 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

14th. March, 2024
Magrath, Alberta


Glen L. Williams
Chartered Accountant

Canadian Sheep Breeders Association

Balance Sheet as at 31st. December, 2023

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
<u>Current</u>		
Cash	\$ 21,402	\$ 17,577
Accounts receivable	2,452	1,364
Prepaid expenses	<u>2,643</u>	<u>4,480</u>
	\$ <u>26,497</u>	\$ <u>23,421</u>
Investments (Note 3)	\$ <u>404,600</u>	\$ <u>472,965</u>
	<u>\$ 431,097</u>	<u>\$ 496,386</u>
<u>Liabilities and Net Assets</u>		
<u>Current</u>		
Accounts payable and accrued liabilities	\$ 14,901	\$ 45,465
Members' accounts payable (Note 5)	<u>9,399</u>	<u>13,911</u>
	\$ <u>24,300</u>	\$ <u>59,376</u>
<u>Net assets</u>		
Restricted for research	\$ 133,457	\$ 124,659
Unrestricted	<u>273,340</u>	<u>312,351</u>
	\$ <u>406,797</u>	\$ <u>437,010</u>
	<u>\$ 431,097</u>	<u>\$ 496,386</u>

Approved on behalf of the Board:

_____ Director

Canadian Sheep Breeders Association

Statement of Operations
for the year ended 31st. December, 2023

	<u>2023</u>	<u>2022</u>
<u>Revenue</u>		
Registrations, transfer fees and memberships	\$ 254,772	\$ 297,846
Investment income	4,641	9,027
Other	<u>7,402</u>	<u>3,272</u>
	\$ <u>266,815</u>	\$ <u>310,146</u>
<u>Expenses</u>		
Office and administration	\$ 61,256	\$ 51,557
Directors and committees	7,193	5,800
Other	<u>228,579</u>	<u>230,542</u>
	\$ <u>297,028</u>	\$ <u>287,899</u>
Excess of revenue over expenses	\$ <u>(30,213)</u>	\$ <u>22,247</u>

Canadian Sheep Breeders Association

Statement of Changes in Net assets
for the year ended 31st. December, 2023

	<u>2023</u>			<u>2022</u>
	Restricted for <u>Research</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of the year	\$ 124,659	\$ 312,351	\$ 437,010	\$ 411,788
<u>Add</u> Transfer to restricted Canadian Centre for swine imp.	7,081	(7,081)		2,975
<u>Deduct</u> Expenses over revenue	<u>(1,717)</u>	<u>(31,930)</u>	<u>(30,213)</u>	<u>22,247</u>
Balance, end of the year	\$ <u>133,457</u>	\$ <u>273,340</u>	\$ <u>406,797</u>	\$ <u>437,010</u>

Note

The amount of \$ 16,467 which was set up previously was reversed in 2023 and as a result the Research Expenses for 2023 of \$ 14,750 was reduced to a credit of \$ 1,717.

Canadian Sheep Breeders Association

Statement of Cash Flow
for the year ended 31st. December, 2023

	<u>2023</u>	<u>2022</u>
Cash provided by: (Used for;)		
<u>Operating activities</u>		
Excess of revenue over expenses	\$ (30,213)	\$ 22,247
Changes in non-cash working capital (Note 4)	<u>(34,327)</u>	<u>(10,552)</u>
	\$ <u>(64,540)</u>	\$ <u>11,695</u>
<u>Investing activities</u>		
Sale (Purchase) of investments - Net	\$ <u>68,365</u>	\$ <u>(8,706)</u>
Increase (Decrease) in Cash during the year	\$ 3,825	\$ 2,989
Cash, beginning of the year	<u>17,577</u>	<u>14,588</u>
Cash, end of the year	\$ <u>21,402</u>	\$ <u>17,577</u>

Canadian Sheep Breeders association

Notes to the Financial Statements
as at 31st. December, 2023

1). Summary of significant accounting policies

Nature of Business

The organization is incorporate 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 taxes 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 collection is reasonable assured. Endowment contributions are recognized as direct increase to Net Assets. Restricted investment income is recognized as revenue in the year which related expenses are incurred. Unrestricted investment income is recognized when earnt.

Investments

Investment 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 receivable, long term investments and accounts payable. Unless otherwise noted, it is managements' 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>2023</u>	<u>2022</u>
Steinback Credit Union term deposit, matures June 10, 2024 bare interest at 5% per annum	\$ 100,000	
Steinback Credit Union term deposit , matures April 10, 2025 bares interest at 4.95% per annum	300,000	
Steinback Credit Union commercial regular savings account, bares interest at 3,20% per annum		\$ 468,365
Canadian Co-operative Wool Growers Ltd. 460 common shares	<u>4,600</u>	<u>4,600</u>
	<u>\$ 404,600</u>	<u>\$ 472,965</u>

Canadian Sheep Breeders Association

Notes to the Financial Statements
as at 31st. December, 2023

3). Restricted for Research

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 124,659	\$ 18,038
<u>Add</u> : Transfer to restricted for research	7,081	11,046
Transfer Board Motion		100,000
Canadaian Centre for Swine Improvement		2,975
Reversal of previous research payable	16,467	
 <u>Deduct</u> : Research expenses	 <u>(14,750)</u>	 <u>(7,400)</u>
Balance, end of the year	\$ <u>133,457</u>	\$ <u>124,659</u>

4). Statement of Cash Flow

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

Decrease (Increase) in accounts receivable	\$ (1,088)	\$ (512)
Decrease (Increase) in prepaid expenses	1,837	2,084
Increase (Decrease) in accounts payable	(30,564)	8,264
Increase (Decrease) in Members' accounts payable	(4,512)	(23,363)
Increase (Decrease) in Contributions to Restricted	<u> </u>	<u>2,975</u>
	\$ <u>(34,327)</u>	\$ <u>(10,552)</u>

5). Members' Accounts Payable

This account represents amounts received by CLRC from Association Members for which the registrations or Transfers have not been processed as of the end of the year.

Canadian Sheep Breeders Association

Schedule of Expenses
for the year ended 31st. December, 2023

	<u>2023</u>	<u>2022</u>
<u>Office and Administration</u>		
General manager's contract	\$ 49,000	\$ 38,949
Office and supplies	543	524
Telephone	591	475
Postage and courier	302	1,583
Insurance	4,182	3,882
Audit	2,400	2,400
Bank service charges	507	471
Office travel	1,931	253
Translation and bookkeeping	<u>1,800</u>	<u>3,029</u>
	<u>\$ 61,256</u>	<u>\$ 51,557</u>
<u>Director and Committees</u>		
Director expenses	<u>\$ 7,193</u>	<u>\$ 5,800</u>
<u>Other</u>		
Record Levy CLRC	\$ 183,959	\$ 187,329
Annual meeting	34,673	27,574
Parentage testing	3,165	4,233
Sheep Classic	(171)	(6,872)
Research expenses	(1,717)	7,400
Market development and promotion	7,250	9,536
Website	<u>1,420</u>	<u>1,342</u>
	<u>\$ 228,579</u>	<u>\$ 230,542</u>