

Hello members of the Saskatchewan 4-H Council,

This letter has been prepared to accompany our financial statements and address some of the factors that impacted our 2019 financial situation.

You will find the Financial Statement Summary on the last few pages of the Annual Report and the full Financial Statements including the Auditor's report by following this link: <https://www.4-h.sk.ca/board-and-council-business.html>. Upon review, you will see that this is the second year with a sizable deficit.



The deficit is primarily the result of a combination of:

- Falling short of sponsorship and grant targets. As we increased the number of programs for our members, we set aggressive sponsorship targets, and while we raised more than twice as much sponsorship compared to last year, we did not reach the goals required to break even.
- An increase of insurance premiums. These are negotiated at the national level for all provincial 4-H organizations, and because of risk exposure associated with youth organizations, our premiums have increased significantly.
- Investments in fund development capacity, including the addition of a Development Officer staff person and support of a professional fundraising consultant.
- Increasing the number of provincial and regional programs including the addition of a Province-Wide Archery Shoot, co-hosting the 4-H Canada Leadership Summit, and the Saskatchewan 4-H Leadership Conference. Some programs fell short of registration expectations (most notably Provincial 4-H Ski Day due to weather).

Despite the deficit, we would like to also share some financial success stories in the past year:

- We added a new 50/50 add-on to the 4-H Saskatchewan lottery. This brought more than \$40,000 in additional revenue for clubs and Council. This year, the Saskatchewan 4-H Lottery officially reached a special milestone, officially raising more than \$1 million in its 23-year lifetime.
- Our investment in fund development capacity is beginning to bear fruit - sponsorship, scholarships and awards are at their highest level ever and more than double what they were last year.
- We created a new fundraiser by running the Ag in Motion 50/50 with Agriculture in the Classroom.

We look forward to formally presenting the statements when we can convene our AGM and answering any questions from the membership at that time.

Considering the evolving situation of COVID, we know that the year ahead will be challenging. With the support of professional advisors, your Board of Directors is exploring new ways to bring in revenue and lower costs to ensure the 4-H program can remain vibrant and successful for the generations to come.

Sincerely,

Cera Youngson, Executive Director
On behalf the Saskatchewan 4- H Council Board of Directors