



CANADA
4-H Saskatchewan

2023 4-H Saskatchewan – Financial Statement Highlights

Dear members of the Saskatchewan 4-H Council,

This letter has been prepared to accompany our financial statements and highlight some of the factors impacting our 2023 finances.

As you review the financial statement, please note these key highlights:

- The Saskatchewan 4-H Council ended the 2023 year with a surplus of \$39,673.00.
- The 4-H Saskatchewan provincial office reduced the staff complement by 20% in 2023.
- Board of Director meetings have also been limited to one day and one meeting each year is held online.

The changes, along with a number of smaller adjustments, have moved the organization to a surplus position for 2023.

The 4-H Council Board and management will continue to look for ways to improve our financial sustainability. In the current inflationary environment finding efficiencies is the best way to avoid passing increased costs on to the membership. Your Board of Directors will continue to monitor the situation to ensure 4-H Saskatchewan remains financially stable for the years to come.

We look forward to formally presenting the statements in person when we come together at the 2024 Annual General Meeting and answering any questions you may have.

Yours in 4-H,

Jason Frey
President, Board of Directors
Saskatchewan 4-H Council

Stacey Hawkins
Chair, Finance Committee
Saskatchewan 4-H Council

SASKATCHEWAN 4-H COUNCIL INC.

Financial Statements

For the Year Ended December 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan 4-H Council Inc.

Opinion

We have audited the financial statements of Saskatchewan 4-H Council Inc. (the "Council"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditor's Report to the Members of Saskatchewan 4-H Council Inc. *(continued)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Lingard + Dreger

Chartered Professional Accountants

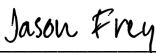
**Saskatoon, Saskatchewan
February 27, 2024**




SASKATCHEWAN 4-H COUNCIL INC.**Statement of Financial Position****As at December 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 692,606	\$ 523,974
Short-term investments (Note 3)	157,302	205,698
Accounts receivable	20,003	46,758
Grants receivable (Note 4)	74,416	100,842
Inventory (Note 5)	55,365	77,376
Prepaid expenses	30,943	23,827
Due from related party (Note 6)	47,942	55,764
	1,078,577	1,034,239
TANGIBLE CAPITAL ASSETS (Note 7)	936	2,901
INTANGIBLE ASSETS (Note 8)	43,690	35,469
LONG-TERM INVESTMENTS (Note 3)	203,158	153,567
	\$ 1,326,361	\$ 1,226,176
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 9)	\$ 64,023	\$ 74,215
Deferred contributions and revenue (Note 10)	263,978	193,274
	328,001	267,489
NET ASSETS		
UNRESTRICTED	417,467	377,794
INTERNALLY RESTRICTED (Note 12)	580,893	580,893
	998,360	958,687
	\$ 1,326,361	\$ 1,226,176

APPROVED ON BEHALF OF THE BOARD

DocuSigned by:

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 Director

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 Director

SASKATCHEWAN 4-H COUNCIL INC.
Statement of Operations
For the Year Ended December 31, 2023

	2023	2022
REVENUE		
Government funding	\$ 321,557	\$ 302,628
Membership dues and registration fees	273,479	259,854
Saskatchewan 4-H Foundation	65,967	161,105
Scholarship and awards	296,078	175,030
In-kind donations	69,934	77,654
Provincial programs	38,339	33,225
Provincial lottery	25,078	26,955
Promotional sales	31,881	28,743
Saskatchewan Lotteries Trust Fund	28,853	28,853
Club kit revenue	-	15,385
Other	28,026	11,870
	1,179,192	1,121,302
EXPENSES		
Administrative	505,548	503,938
Provincial, regional, district and club level	385,543	403,966
Supplies	63,171	55,345
Development and marketing	54,571	51,024
Board and Council business	117,594	105,092
Amortization of tangible capital assets	1,965	1,965
Amortization of intangible assets	11,127	7,545
	1,139,519	1,128,875
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 39,673	\$ (7,573)

See notes to the financial statements

SASKATCHEWAN 4-H COUNCIL INC.
Statement of Changes in Net Assets
For the Year Ended December 31, 2023

	Unrestricted	Internally Restricted	Internally Restricted Development Officer	2023	2022
NET ASSETS -					
BEGINNING OF YEAR	\$ 377,794	\$ 505,111	\$ 75,782	\$ 958,687	\$ 966,260
Excess (deficiency) of revenue over expenses	39,673	-	-	39,673	(7,573)
NET ASSETS - END OF YEAR	\$ 417,467	\$ 505,111	\$ 75,782	\$ 998,360	\$ 958,687

See notes to the financial statements

SASKATCHEWAN 4-H COUNCIL INC.
Statement of Cash Flows
For the Year Ended December 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 39,673	\$ (7,573)
Items not affecting cash:		
Amortization of tangible capital assets	1,965	1,965
Amortization of intangible assets	11,127	7,545
	52,765	1,937
Changes in non-cash working capital:		
Accounts receivable	26,755	(24,715)
Grants receivable	26,426	11,291
Inventory	22,011	273
Prepaid expenses	(7,116)	17,917
Accounts payable and accrued liabilities	(10,191)	169
Deferred revenue	70,704	(14,823)
Due from related party	7,822	(4,421)
	136,411	(14,309)
Cash flow from (used by) operating activities	189,176	(12,372)
INVESTING ACTIVITIES		
Purchase of tangible capital assets	-	(2,809)
Purchase of intangible assets	(19,348)	(16,478)
Purchase of investments	(200,910)	(150,000)
Disposition of investments	210,584	147,643
Reinvested interest	(10,870)	(8,277)
Cash flow used by investing activities	(20,544)	(29,921)
INCREASE (DECREASE) IN CASH	168,632	(42,293)
CASH - BEGINNING OF YEAR	523,974	566,267
CASH - END OF YEAR	\$ 692,606	\$ 523,974
CASH CONSISTS OF:		
Cash	\$ 692,606	\$ 523,974

See notes to the financial statements

SASKATCHEWAN 4-H COUNCIL INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

1. THE ORGANIZATION

Saskatchewan 4-H Council Inc. (the "Council") was incorporated under the laws of the Province of Saskatchewan on March 6, 1979. Its main activity is to provide programs and services to 4-H members and leaders at the club, district, regional and provincial levels. The Council is a project-based youth organization devoted to strengthening the skills of responsible citizens. The Council focuses on the growth and development of its members, leaders, volunteers, and staff through its motto: "Learn to do by doing". The Council is registered provincially with the Corporations Branch as an incorporated not-for-profit-organization

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the *CPA Handbook* and include the following significant accounting policies:

Revenue recognition

Saskatchewan 4-H Council Inc. follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or restrictions met. Unspent amounts are included in deferred contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other revenues are recognized in the year they are earned provided the amount to be received can be reasonably estimated and collection is reasonably assured.

The Council's membership year runs from September through August. Membership and club fees reported for the year ended December 31, 2023 are consequently comprised of both fees received for the 2022-2023 membership year (67%) and fees received for the 2023-2024 membership year (33%).

Inventory

The inventory of store items and cookbooks is recorded at the lower of cost and net realizable value. Club manuals and promotional inventory is recorded at the lower of cost and current replacement cost.

Financial instruments

The Council initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statements of operations in the period incurred.

Financial assets subsequently measured at amortized cost include cash, accounts receivable, and grants receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities. The fair value of the cash, accounts receivable, grant receivable and accounts payable and accrued liabilities approximates their carrying value due to their short-term nature.

Short-term investments

Short-term investments are classified as available-for-sale and are recorded at market value.

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SASKATCHEWAN 4-H COUNCIL INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents consist of balances with banks and short-term investments with maturities of three months or less.

Contributions in-kind

Contributions in-kind are recorded at fair value for goods or services used in the normal course of operations that would otherwise have been purchased. During the year the Council received in-kind contributions of facilities valued at \$58,250 (2022 - \$53,000) and professional services and advertising valued at \$11,684 (2022 - \$24,654).

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, any disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the reporting period. These estimates are reviewed periodically and as adjustments become necessary, they are reported in earnings in the period in which they become known.

Significant estimates include, but are not limited to the useful lives of tangible capital assets and intangible assets, and accruals for certain revenues and expenses.

Income taxes

The Council qualifies as a tax exempt organization under section 149 of the *Income Tax Act*.

Allocated expenditures

The Council allocates its salary expense between administrative expenditures and provincial, regional, district and club level expenditures. Salaries paid to the provincial office staff are allocated to the administrative expenditures and salaries paid to the regional specialists are allocated to the provincial, regional, district and club level expenditures.

Tangible capital assets

Tangible capital assets are initially recorded at cost. Amortization is provided at rates intended to amortize the cost over their estimated useful lives as follows:

Computer equipment	3 years	straight-line method
Office furniture and equipment	5 years	straight-line method
Marketing tools	5 years	straight-line method

Intangible assets

The IMIS database costs are being amortized on a straight-line basis, using the half year rule in the year of acquisition, over their estimated useful lives of five years.

SASKATCHEWAN 4-H COUNCIL INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

3. INVESTMENTS

	Maturity	2023	Yield	2022
Short-term				
Term Deposits	< 1 year	\$ 157,302	2.35% - 5.46%	\$ 205,698
Long-term				
Term Deposits	1-5 years	203,158	2.84% - 5.22%	153,567
		\$ 360,460		\$ 359,265

4. GRANTS RECEIVABLE

The grants receivable balance is composed of the following:

	2023	2022
Ministry of Agriculture	\$ 68,750	\$ 75,000
Canadian 4-H Council (National contribution agreements)	5,666	21,666
Canadian 4-H Council (FCC)	-	1,888
Canadian 4-H Council (AAFC)	-	1,288
Government of Canada (Job Grant)	-	1,000
	\$ 74,416	\$ 100,842

5. INVENTORY

Inventory consists of the following:

	2023	2022
Club manuals	\$ 10,907	\$ 19,590
Cookbooks	1,942	3,313
Promotional materials	4,275	4,961
Recognition items	6,021	5,932
Store items	30,543	32,773
Club kits	1,677	10,807
	\$ 55,365	\$ 77,376

SASKATCHEWAN 4-H COUNCIL INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

6. RELATED PARTY TRANSACTIONS

The Council has the following related parties:

Canadian 4-H Council

The purpose of the Canadian 4-H Council is to promote the 4-H program on a national level by supporting the provincial councils. In 2023, the Saskatchewan 4-H Council Inc. recorded funding of \$56,807 (2022 - \$29,689) from the Canadian 4-H Council of which \$5,666 (2022 - \$24,842) is receivable at year-end

The Saskatchewan 4-H Council paid its provincial insurance and fees and its board of directors liability insurance through the Canadian 4-H Council. In 2023, the total insurance and fees paid through the Canadian 4-H Council were \$33,688 (2022 - \$34,202). A national membership fee of \$9,769 (2022 - \$10,163) was also paid to the Canadian 4-H Council.

Saskatchewan 4-H Foundation

The purpose of the Saskatchewan 4-H Foundation is to promote the 4-H program. In 2023, the Saskatchewan 4-H Council recorded funding of \$65,967 (2022 - \$161,105) from the Foundation of which \$47,942 (2022 - \$55,764) is receivable at year-end.

Various 4-H Clubs

The purpose of the various 4-H clubs is to promote, support and facilitate the activities of 4-H members. The Saskatchewan 4-H Council provides administrative support to the clubs as well as other activity resources. In 2023, the Saskatchewan 4-H Council Inc. recorded membership dues, registration and club fees from the clubs in the amount of \$273,479 (2022 - \$259,854).

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 5,896	\$ 4,960	\$ 936	\$ 2,901

8. INTANGIBLE ASSETS

	2023	2022
IMIS database	\$ 65,310	\$ 45,962
Accumulated amortization	(21,620)	(10,493)
	\$ 43,690	\$ 35,469

SASKATCHEWAN 4-H COUNCIL INC.
Notes to the Financial Statements
For the Year Ended December 31, 2023

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities balance is composed of the following:

	2023	2022
Accrued liabilities	\$ 11,655	\$ 11,655
GST payable	7,837	11,241
Trade payables	8,450	20,584
Vacation payable	25,496	21,615
Wages payable	5,960	7,061
PST payable	4,625	2,059
	\$ 64,023	\$ 74,215

10. DEFERRED CONTRIBUTIONS AND REVENUE

The deferred contributions and revenue balance is composed of the following:

	2023	2022
Annual general meeting fees	\$ 14,857	\$ 13,929
Gift certificates	60	360
Membership fees (January - August)	161,143	165,760
Scholarship	38,500	13,225
Deferred sponsorships	49,418	-
	\$ 263,978	\$ 193,274

11. FINANCIAL INSTRUMENTS

The Council is exposed to various risks through its financial instruments.

Credit risk

The Council's exposure to credit risk relates principally to its cash balances and accounts receivable. The Council maintains cash balances with reputable major financial institutions. The accounts receivable are due from a diverse group of individuals, 4-H clubs, other not-for-profit organizations, and government agencies. Management typically requires individuals to pay immediately and amounts due from other 4-H clubs are not significant in amount. Receivables from other not-for-profit organizations and from government agencies usually consist of funding grants for which there are signed agreements. Management establishes allowances for doubtful accounts when the amounts deemed to be uncollectible. Accordingly, the Council is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is that the Council will encounter difficulty in meeting obligations associated with financial liabilities. The Council enters into transactions to purchase goods and services on credit and lease office equipment from creditors, for which repayment is required at various maturity dates. Liquidity risk is measured by reviewing the Council's future net cash flows for the possibility of a negative net cash flow. The Council manages liquidity risk resulting from accounts payable and accrued liabilities by investing in liquid assets such as cash and short-term investments which can be readily available to repay accounts payable and accrued liabilities.

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SASKATCHEWAN 4-H COUNCIL INC.

Notes to the Financial Statements

For the Year Ended December 31, 2023

11. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Council is exposed to interest rate risk on its investments.

12. INTERNALLY RESTRICTED NET ASSETS

In the current year, the Board transferred \$Nil (2022 - \$Nil) to the general internally restricted net assets and \$Nil (2022 - \$20,782) from unrestricted net assets to the internally restricted net assets to support the wages of a development officer.

SASKATCHEWAN 4-H COUNCIL INC.**Schedule of Revenue
(Schedule 1)****For the Year Ended December 31, 2023**

	2023	2022
Government funding		
Government funding	\$ 318,750	\$ 300,000
Agriculture Canada	2,807	2,628
	321,557	302,628
Membership dues and registration fees		
Membership dues and registration fees	247,032	236,675
Annual meeting registration	13,928	13,928
Annual meeting visitors' fees	11,494	8,060
Annual meeting revenue	1,025	1,191
	273,479	259,854
Saskatchewan 4-H Foundation		
Saskatchewan 4-H Foundation campaign	65,967	73,789
Saskatchewan 4-H Foundation grant	-	87,316
	65,967	161,105
Scholarship and awards		
Corporate sponsorships	161,461	105,063
Other grants	77,617	18,467
Scholarship funding	57,000	51,500
	296,078	175,030
In-kind donations		
In-kind donations	69,934	77,654
	69,934	77,654
Provincial programs		
Provincial program revenue	31,634	29,780
Regional program revenue	6,705	3,445
	38,339	33,225
Provincial lottery		
Provincial lottery	25,078	26,955
	25,078	26,955
Promotional sales		
Promotional sales	31,881	28,743
	31,881	28,743
Saskatchewan Lotteries Trust Fund		
Saskatchewan Lotteries Trust Fund	28,853	28,853
	28,853	28,853
Club kit revenue		
Club kit revenue	-	15,385
	-	15,385
Other		
Investment income	22,615	10,097
Miscellaneous income	5,411	1,773
	28,026	11,870
Total Revenue	\$ 1,179,192	\$ 1,121,302

See notes to the financial statements

SASKATCHEWAN 4-H COUNCIL INC.**Schedule of Expenditures
(Schedule 2)****For the Year Ended December 31, 2023**

	2023	2022
Administrative		
Salaries	\$ 353,573	\$ 360,160
Service charges	12,451	7,612
Professional fees	19,995	15,892
Staff meetings/recognition	2,981	2,458
Salaries - casual	12,864	9,318
Travel and sustenance	6,516	4,123
Storage expense	1,408	1,170
Telephone and fax	4,645	7,446
Cellular phones	3,085	3,351
Registered retirement savings plan	11,235	9,295
Group insurance	22,870	24,006
Stationery	4,085	4,269
Photocopying	4,385	4,633
Postage	10,854	19,219
Office equipment	5,990	383
Website/computer support	14,969	20,611
Computer/software purchases	9,582	5,995
Volunteer recognition	3,437	2,941
Staff training	-	851
Miscellaneous	623	205
	505,548	503,938
Provincial, regional, district and club level		
Salaries	172,231	188,440
Programming	65,860	66,245
Meals and accommodations	5,953	6,901
Mileage	14,565	13,226
Scholarship funding	57,000	51,500
Donations-in-kind	69,934	77,654
	385,543	403,966
Supplies		
Inventory adjustment	10,994	1,202
Club manuals	29,414	29,880
Club supplies - club kits	7,763	24,246
Project and resource	15,000	17
	63,171	55,345

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See notes to the financial statements

SASKATCHEWAN 4-H COUNCIL INC.
Schedule of Expenditures (continued)
(Schedule 2)
For the Year Ended December 31, 2023

	2023	2022
<i>(continued)</i>		
Development and marketing		
Promotional expenses	19,643	18,920
Lottery expense	15,625	16,695
Club share of lottery	-	1,452
Marketing and public relations	19,303	13,957
	54,571	51,024
Board and Council business		
Insurance and fees	33,688	34,202
Committee expenses	765	2,260
Canadian 4-H Council membership	9,769	10,163
Board training	735	560
Board meetings	10,163	9,756
Annual meeting	61,089	46,758
Board of Directors liability insurance	912	926
Memberships in other organizations	473	467
	117,594	105,092
Amortization of tangible capital assets		
Amortization of tangible capital assets	1,965	1,965
	1,965	1,965
Amortization of intangible assets		
Amortization of intangible assets	11,127	7,545
	11,127	7,545
Total Expenses	\$ 1,139,519	\$ 1,128,875