

Hello members of the Saskatchewan 4-H Council,

This letter has been prepared to accompany our financial statements and highlight some of the factors that impacted our 2020 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 we have a substantial surplus of more than \$200,000 in 2020. The surplus is primarily a result of lowered expenses due to suspension of in person programming and increased revenue received through federal support made available because of the COVID-19 Public Health Emergency.

Below are some highlights and notable points in the statements:

- 4-H Saskatchewan, like more than 426,000 other businesses, non-profits and charities, received federal COVID-19 support funding through the Temporary Wage Subsidy for Employers (TWSE) and Canada Emergency Wage Subsidy (CEWS) programs. These supports were made available to allow employers to avoid layoffs and terminations because of COVID-19. 4-H Saskatchewan did make some temporary layoffs and reductions in response to COVID but was able to return to full staff by July 1, 2020 thanks to the approximately \$211,000 received through these programs.
- All in person 4-H programming was suspended between March 16, 2020 and June 22, 2020. Club level programming was able to resume (outdoors) after June 22, and indoors after July 6, 2020. While 4-H was able to continue virtually, these events and programs cost less :
 - 4-H Saskatchewan was able to run nearly all its provincial level programming virtually – we still had Summer Camp, Equine Symposium, Science Day and more. Having virtual programs meant that provincial program expenses were approximately \$58,000 lower than previous years.
 - Similarly, the 4-H Saskatchewan Annual General Meeting was held virtually in July. The traditional Annual General Meeting program is a two-day conference for more than 150 people. The virtual Annual General Meeting was able to be held through a series of videoconferences, with no visitor revenue and approximately \$44,000 less expense.
 - Regional Specialists continued to support their regions, however, were unable to travel for much of the year. This resulted in lower travel, meal, and accommodation expenses.
- The Saskatchewan 4-H Lottery's success relies on in person ticket sales which were restricted. The lottery draw was postponed allowing clubs to sell in the fall, but even with the extension, sales were less than ½ what they were last year.
- Membership revenue is lower due to a decrease of about 12% in membership as many clubs have decided to take a hiatus due to COVID-19 restrictions.
- The Saskatchewan 4-H Council receives an operating grant and other financial support from the Saskatchewan 4-H Foundation (a registered charity) each year. As there was a significant surplus projected, the decision was made to request less support from the Foundation. This allows more funds to stay with the Foundation and earn interest to support the future of 4-H in Saskatchewan.

We look forward to formally presenting the statements when convene our AGM and answering any questions from the membership.

Your Board of Directors has been diligent in monitoring the situation, assessing the potential impacts, and sometimes making difficult decisions to navigate 4-H Saskatchewan and our members safely through this challenging, once in-a-life-time year. We are proud of our volunteers for their leadership and members for their resilience. This 4-H spirit is what will allow us thrive for years to come for the generations to come.

We were fortunate to receive a major gift from a generous benefactor in 2020. While not reflected in our 2020 financial situation, these funds are to be directed to modernizing our program and technology and reaching our leaders and alumni in the years to come. We are carefully considering options for the major gift, as well as the surplus funds to ensure funding is in place for the longevity of 4-H and we are able to provide more opportunities, programs, and resources for our current 4-H clubs and members

Sincerely,



Alvin Pawlitza
Chair, Finance Committee



Glenn Gress
President

On behalf the Saskatchewan 4- H Council Board of Directors