

SASKATCHEWAN GERMAN COUNCIL INC.

Financial Statements

Year Ended March 31, 2023

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Saskatchewan German Council Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Saskatchewan German Council Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board of Directors approve the financial statements and considers the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by MWC Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.



Executive Director



Treasurer

Saskatoon, SK
May 26, 2023



Chartered Professional
Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Saskatchewan German Council Inc.

Opinion

We have audited the financial statements of Saskatchewan German Council Inc. (the Council), which comprise the statement of financial position as at March 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 March 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 (ASNPO).

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.

Other Matter

The financial statements for the year ended March 31, 2022 were audited by another Chartered Professional Accountant who expressed a modified opinion related to the completeness of donation revenues on those financial statements on May 7, 2022.

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 ASNPO, 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.

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An asset to our clients, not an expense

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

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:

- 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.

MWC LLP

Chartered Professional Accountants

Regina, Saskatchewan
May 26, 2023


SASKATCHEWAN GERMAN COUNCIL INC.

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 51,537	\$ 49,950
Unrestricted investments (Note 4)	1,270	800
Accounts receivable	-	3,045
Goods and services tax recoverable	1,671	1,714
	<u>54,478</u>	<u>55,509</u>
CAPITAL ASSETS (Note 5)	326	1,516
RESTRICTED INVESTMENTS (Note 4)	65,000	60,000
	<u>\$ 119,804</u>	<u>\$ 117,025</u>
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 8,636	\$ 10,750
Deferred membership revenue	198	123
Wages payable	4,635	2,454
	<u>13,469</u>	<u>13,327</u>
 NET ASSETS		
Unrestricted fund	41,335	43,698
Restricted fund	65,000	60,000
	<u>106,335</u>	<u>103,698</u>
	<u>\$ 119,804</u>	<u>\$ 117,025</u>
 CONTINGENT FUNDING (Note 7)		

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

SASKATCHEWAN GERMAN COUNCIL INC.

Statement of Operations Year Ended March 31, 2023

	2023	2022
REVENUES		
<u>Grant revenue</u>		
Sask Trust for Sport, Culture and Recreation	\$ 202,000	\$ 202,000
SaskCulture - Special Initiatives Fund	10,000	-
Government of Saskatchewan	5,000	7,747
Ministry of Economy	-	53,094
Service Canada - Summer Student Grant	-	3,356
<u>Private sector revenue</u>		
Donations	150	110
Fundraising sponsorships	1,500	1,500
Earned revenues (<i>Schedule 1</i>)	13,629	8,677
Interest	1,791	2,448
	234,070	278,932
EXPENSES		
Office operation (<i>Schedule 2</i>)	17,040	17,262
Organizational business cost (<i>Schedule 3</i>)	11,553	9,369
Travel and meetings (<i>Schedule 4</i>)	4,990	4,240
Annual general meeting	8,627	162
Personnel	122,852	122,620
Publications - newsletter	8,805	10,729
Immigration settlement	15	46,589
Member funding programs (<i>Schedule 5</i>)	37,008	38,536
Programs (<i>Schedule 6</i>)	17,543	17,111
Sponsorship (<i>Schedule 7</i>)	3,000	1,000
	231,433	267,618
EXCESS OF REVENUES (EXPENSES)	\$ 2,637	\$ 11,314

Statement of Changes in Net Assets Year Ended March 31, 2023

	Unrestricted Fund	Restricted Fund	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 43,698	\$ 60,000	\$ 103,698	\$ 92,384
EXCESS OF REVENUES (EXPENSES)	2,637	-	2,637	11,314
TRANSFER (<i>Note 6</i>)	(5,000)	5,000	-	-
NET ASSETS - END OF YEAR	\$ 41,335	\$ 65,000	\$ 106,335	\$ 103,698

See notes to financial statements

SASKATCHEWAN GERMAN COUNCIL INC.

Statement of Cash Flows Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues (expenses)	\$ 2,637	\$ 11,314
Items not affecting cash:		
Amortization of capital assets	1,191	1,191
Reinvested earnings on investments	(470)	(525)
	<u>3,358</u>	<u>11,980</u>
Changes in non-cash working capital:		
Accounts receivable	3,045	(2,890)
Goods and services tax recoverable	43	172
Accounts payable	(2,113)	(1,789)
Deferred membership revenue	73	123
Wages payable	2,181	(293)
	<u>3,229</u>	<u>(4,677)</u>
Cash flow from operating activities	<u>6,587</u>	<u>7,303</u>
INVESTING ACTIVITIES		
Purchase of capital assets	-	(977)
Purchase of investments	(5,000)	(10,000)
Cash flow used by investing activities	<u>(5,000)</u>	<u>(10,977)</u>
INCREASE (DECREASE) IN CASH FLOW	1,587	(3,674)
CASH - BEGINNING OF YEAR	<u>49,950</u>	<u>53,624</u>
CASH - END OF YEAR	<u>\$ 51,537</u>	<u>\$ 49,950</u>

See notes to financial statements

SASKATCHEWAN GERMAN COUNCIL INC.

Notes to Financial Statements

Year Ended March 31, 2023

1. PURPOSE OF THE COUNCIL

Saskatchewan German Council Inc. (the "Council") was incorporated under The Non-Profit Corporations Act in the province of Saskatchewan. The mission of the Association is providing cultural programs and support to its members.

The Council is exempt from income taxes under section 149 of The Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Council follows the deferral method of accounting for contributions which includes grants, donations, memberships, and sponsorships.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Investment income is recognized in the period earned.

Registration fees are recognized as revenue when the events are held. Advertising, fundraising, merchandise, program support, and translation revenues are recognized when the service is provided. Other revenues are recognized when received.

Fund accounting

Saskatchewan German Council Inc. uses fund account and has the following funds:

- Unrestricted Fund - reports the day-to-day operations of the Council.
- Restricted Fund - internally restricted by the Board of Directors to provide for the long-term sustainability of the Council in the event of a significant change in funding, programming, and to ensure sufficient resources are available to settle any debts that may arise in the event of a dissolution.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	3 years	straight-line method
Furniture and fixtures	10 years	straight-line method

The Council regularly reviews its capital assets to eliminate obsolete items.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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SASKATCHEWAN GERMAN COUNCIL INC.

Notes to Financial Statements

Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial assets including cash, unrestricted and restricted investments and accounts receivable are reported at amortized cost. Financial liabilities including accounts payable and accrued liabilities are measured at amortized cost.

3. ECONOMIC DEPENDENCE

The Council receives a significant share of its total revenue from the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation (SLT) to carry out its programming. Should the funding from the SLT substantially change, the Council would have to significantly alter their programming if replacement funding could not be obtained.

4. INVESTMENTS

	2023	2022
Term deposits	\$ 65,911	\$ 60,800
Accrued interest	359	-
	<u>\$ 66,270</u>	<u>\$ 60,800</u>

Term deposits bear interest at 0.332% - 4.000% and mature November 2023 and December 2024.

The allocation of investments are as follows:

Restricted investments	\$ 65,000	\$ 60,000
Unrestricted investments	1,270	800
	<u>\$ 66,270</u>	<u>\$ 60,800</u>

5. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 3,573	\$ 3,247	\$ 326	\$ 1,516
Furniture and fixtures	2,349	2,349	-	-
	<u>\$ 5,922</u>	<u>\$ 5,596</u>	<u>\$ 326</u>	<u>\$ 1,516</u>

6. INTERFUND TRANSFER

In the year, the Board approved the transfer of \$5,000 to the Restricted fund.

SASKATCHEWAN GERMAN COUNCIL INC.

Notes to Financial Statements

Year Ended March 31, 2023

7. CONTINGENT FUNDING

In common with most grant funding, the granting agencies performs a subsequent review of the financial statements and can require repayment of prior year's funding, or adjust current funding, based on their determination of the use of the funding for eligible program costs. No provision is made in the financial statements for a possible settlement of current year's funding and any settlement related to prior year's is recognized as part of current funding revenue in the period it is made known to the Council.

8. FINANCIAL INSTRUMENTS

The Council is exposed to various risks through its financial instruments and management is responsible to monitor, evaluate and manage these risks. The following analysis provides information about the Council's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Council's exposure to credit risk is limited as there is minimal trade activity in the year. The majority of receivables during the year pertain to expected government funding and all other receivable activity is with many customers and members and so there is no concentration of risk.

Liquidity risk

Liquidity risk is the risk that an entity will be unable to settle current debts with current assets. The Council's exposure to the risk of not realizing its assets is considered nominal as receivables are primarily from government agencies. The Council's exposure to settlement of obligations is limited to payment of accounts and wages payable and is considered low due to the nature of operations.

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. In seeking to minimize the risks from interest rate fluctuations, the Council manages exposure through its normal operating and financing activities. The Council's exposure is limited to the stated rate of its credit card as is considered nominal due to the credit limit of the card.

Unless otherwise noted, it is management's opinion that the Council is not exposed to significant other price risks arising from these financial instruments.

9. CORRESPONDING FIGURES

The prior year corresponding figures were audited by another firm of public accountants. The corresponding figures have been reclassified to conform to the current year's presentation and there was no change to previously reported total assets, liabilities, or net assets as at March 31, 2022 or on excess revenue (expenses) for the year then ended as a result of the reclassification.

SASKATCHEWAN GERMAN COUNCIL INC.

Earned Revenues (Schedule 1) Year Ended March 31, 2023

	2023	2022
Advertising sales	\$ 220	\$ 370
Membership fees	2,753	2,173
Merchandise	2,027	793
Other	1,336	806
Program support	250	-
Registration fees	2,380	280
Translations	4,663	4,255
	<u>\$ 13,629</u>	<u>\$ 8,677</u>

Office Operation (Schedule 2) Year Ended March 31, 2023

	2023	2022
Amortization	\$ 1,191	\$ 1,191
Board	190	-
Equipment service and repairs	155	1,057
Insurance	-	360
Internet	1,606	1,239
Office supplies	1,598	2,087
Photocopying	233	120
Postage and shipping	1,210	772
Rent	8,000	7,860
Special printing costs	1,731	1,702
Telephones	1,126	874
	<u>\$ 17,040</u>	<u>\$ 17,262</u>

Organizational Business Cost (Schedule 3) Year Ended March 31, 2023

	2023	2022
Audit	\$ 6,510	\$ 5,534
Bank charges	159	-
Fees and charges	1,587	1,673
Membership fees	150	200
Other	3,147	1,962
	<u>\$ 11,553</u>	<u>\$ 9,369</u>

See notes to financial statements

SASKATCHEWAN GERMAN COUNCIL INC.

Travel and Meetings
Year Ended March 31, 2023

(Schedule 4)

	2023	2022
Travel - staff	\$ 961	\$ 1,720
Travel - volunteer	4,029	2,520
	<u>\$ 4,990</u>	<u>\$ 4,240</u>

Member Funding Programs
Year Ended March 31, 2023

(Schedule 5)

	2023	2022
American Historical Society of Germans from Russia, Regina		
Rental support for meetings	\$ 600	\$ 400
Austrian Edelweiss Club, Regina		
Austrian Hunting & Fishing Club support	500	-
Octoberfest event	300	600
Family Picknick	200	-
Virtual tour of Austria	-	500
Christmas party	-	400
Zoom subscription	-	200
CFCR Radio, Saskatoon		
Treffpunkt Deutschland	850	850
Concordia Alpenrose Schuhplattler Verein, Saskatoon		
Dance studio rent	733	400
New member costume	-	1,000
Concordia Brass Band, Saskatoon		
Funding for hall rental and rehearsals	1,300	1,150
Tranposing music	600	-
Honorarium clinician	300	-
Transposing software for music	-	800
Digital music and photo storage	-	250
Concordia Junior Alpenrose Dancers		
Dance studio rent	600	525
Mayday celebration	420	-
German Canadian Club Concordia		
German heritage month celebration	100	-
German Canadian Society Harmonie		
Sommerwende	500	-
Oktoberfest	300	-
Spargelfest	300	-
Weihnachtsfeier	300	-
German Junior Folk Dancers		
Digital archive	-	500
Jagd-und Fisch Verein, Regina		
Target shooting	-	500
Karnevalsgesellschaft Harmonie, Regina		
K.G. Harmonie German Dancers	1,000	750
Crowning	500	650

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See notes to financial statements

SASKATCHEWAN GERMAN COUNCIL INC.

Member Funding Programs *(continued)*

(Schedule 5)

Year Ended March 31, 2023

	2023	2022
<i>(continued)</i>		
Kinderfasching	400	-
Evening with St. Nikolaus	300	500
Kochloeffel and Nudelholz		
Culture and baking boxes	1,000	-
Cooking videos online	600	1,440
Anniversary celebrations	-	900
Mennonite Heritage Village		
Summer museum program	500	500
Regina Austrian Edelweiss Dance Association		
Hall rental	2,100	1,700
Dance instructor	1,000	250
Saskatchewan Association of Teachers of German		
German language contest	400	400
Saskatchewan German Culture Assistance Fund		
Program development	-	1,500
Skat Club		
Sask Skat tournament	600	-
Village of Edenwold		
Summer community festival	1,000	-
Volkliedchor Harmonie, Regina		
Advent concert	1,500	1,000
Choir rehearsal and volunteer performances	1,000	-
Spring concert	-	750
Costume and travel funding	3,550	3,081
COVID emergency funding	-	2,000
School/Preschool funding	11,355	12,355
Treffpunkt Weekend grant	2,300	-
Youth funding - Mach Mit	-	2,900
Adjustment for prior year projects not completed	-	(215)
	\$ 37,008	\$ 38,536

See notes to financial statements

SASKATCHEWAN GERMAN COUNCIL INC.

SGC Programs and Projects

(Schedule 6)

Year Ended March 31, 2023

	2023	2022
Bilingualism - Raising Children With More Than One Language	\$ -	\$ 200
Bursaries	500	1,000
Communications plan	3,729	4,502
Culture in the Kitchen	-	1,259
Digital Advent Calendar	124	193
Eaton Internment Camp Project	1,000	600
Goethe-Institut Examination Centre	271	398
Heritage Festival of Saskatoon & Outreach & Cultural Ambassadors	60	100
Immigration Story Collection Online	100	-
Library acquisitions	-	126
Live Tour Berlin	-	161
Marketing campaign/communications	3,180	-
Movie Screening & Panel Discussion "The Newcomers"	928	-
Podcast Series SaskScapes "German Culture Alive"	940	2,225
Public Lecture Talk: Herzberg - A Life in Science	300	-
Sing-Along Event - A Very German Christmas (virtual)	-	50
Strategic planning	5,774	-
Video Project "Kinderzimmer"	-	80
Volunteer recognition	96	350
Website Strategy, Design, Content & Development, Maintenance	307	5,642
Wonderhub Collaboration: Advent Wreath Display	234	225
	\$ 17,543	\$ 17,111

Sponsorship

(Schedule 7)

Year Ended March 31, 2023

	2023	2022
Jubilee Residences Foundation - Oktoberfest	\$ 1,500	\$ 1,000
Confederation Park Community Association - International Cooking Series	500	-
Friends of White City Museum - Oktoberfest	500	-
Remai Modern - Virtual Art Saskatchewan, School Tour Programs	500	-
	\$ 3,000	\$ 1,000

See notes to financial statements