Leadership Saskatoon Inc.

FINANCIAL STATEMENTS

June 30, 2023

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Leadership Saskatoon Inc.

I have reviewed the accompanying financial statements of **Leadership Saskatoon Inc.** that comprise the statement of financial position as at June 30, 2023 and the statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of **Leadership Saskatoon Inc.** as at June 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

H. Bryce Groenwold

Saskatoon, Saskatchewan
November 14, 2023

Chartered Professional Accountant
Groenwold CPA Prof. Corp.

Leadership Saskatoon Inc.

STATEMENT OF FINANCIAL POSITION
as at June 30, 2023

Unaudited

	2023	2022
ASSETS		
Current Assets		
Cash	**$ 72,585**	$ 65,342
Term deposits (Note 3)	**31,563**	50,075
Accounts receivable	**7,789**	12,630
	111,937	128,047
Term deposits (Note 3)	**36,531**	35,858
	$ 148,468	$ 163,905
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 13,275**	$ 1,690
Deferred income (Note 5)	**12,250**	10,320
Current portion of loan payable (Note 6)	**30,000**	-
	55,525	12,010
Loan payable (Note 6)	**-**	30,000
	55,525	42,010
Net Assets	**92,943**	121,895
	$ 148,468	$ 163,905

On behalf of the Board:

Director _____ Director _____

Leadership Saskatoon Inc.

STATEMENT OF OPERATIONS
for the year ended June 30, 2023

Unaudited

	2023	2022
Revenues		
Alumni seminar series	**$ 258**	$ 965
Donations	**2,939**	3,239
Donations in kind (Note 7)	**5,350**	2,760
Founding member contributions	**12,150**	14,150
Grants	**-**	9,250
Sponsorship	**12,000**	21,750
Tuition	**105,500**	108,780
	138,197	160,894
Operating expenses		
Accounting fees	**5,226**	4,373
Advertising and promotion	**79**	3,416
Alumni events	**182**	691
Bursaries and awards	**75**	10,065
Insurance	**1,193**	1,087
Meetings and conferences	**269**	158
Office expenses - Schedule 1	**19,055**	6,799
Professional training	**-**	81
Program delivery costs - Schedule 2	**46,203**	34,385
Recruitment and volunteers	**-**	69
Salaries and wages	**-**	23,320
Sub-contracts	**97,434**	76,175
	169,716	160,619
(Deficiency) excess of revenues over operating expenses	**(31,519)**	275
Other income		
Interest	**2,567**	1,322
(Deficiency) excess of revenues over expenses	**$ (28,952)**	$ 1,597

Leadership Saskatoon Inc.

STATEMENT OF CHANGES IN NET ASSETS
for the year ended June 30, 2023

Unaudited

	2023	2022
Net assets, beginning of year	**$ 121,895**	$ 120,298
(Deficiency) excess of revenues over expenses	**(28,952)**	1,597
Net assets, end of year	**$ 92,943**	$ 121,895

Leadership Saskatoon Inc.

STATEMENT OF CASH FLOWS
for the year ended June 30, 2023

Unaudited

	2023	2022
CASH RESOURCES FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	**$ (28,952)**	$ 1,597
Change in non-cash working capital balances related to operations		
Accounts receivable	**4,841**	(8,382)
Accounts payable and accrued liabilities	**11,585**	(2,718)
Deferred income	**1,930**	(8,930)
	18,356	(20,030)
Cash resources used in operations	**(10,596)**	(18,433)
CASH RESOURCES FROM INVESTING ACTIVITIES		
Term deposits	**17,839**	(1,246)
Cash resources from (used in) investing activities	**17,839**	(1,246)
Net change in cash resources during the year	**7,243**	(19,679)
Cash resources, beginning of year	**65,342**	85,021
Cash resources, end of year	**$ 72,585**	$ 65,342

Leadership Saskatoon Inc.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2023

Unaudited

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1 Description of organization

Leadership Saskatoon Inc. is a local organization operating programs aimed at educating and training the future leaders of Saskatoon. Leadership Saskatoon Inc. was incorporated on December 18, 2002 under the Saskatchewan Non-Profit Corporations Act, 1995 and is a registered charity under the Income Tax Act.

2 Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Cash resources

The organization's policy is to disclose bank balances under cash resources, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Property, plant and equipment

Property, plant and equipment are expensed when acquired as the organization has less than $500,000 in average annual revenue.

Revenue recognition

The company follows the deferral method of accounting for contributions. Restricted contributions, which consists of donations, founding member contributions, grants, sponsorships, and tuition are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, which consists of alumni seminar series, donations, and other revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

2 **Significant accounting policies, continued**

Donations in kind

The organization benefits from the donation of goods and services from individuals, corporations and other organizations. Accounting recognition is given to the value of the goods or services donated to the organization where a fair market value can be reasonably estimated.

Income taxes

The organization is exempt from income tax as a Non-Profit Charitable Corporation.

Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The organization 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 net income.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and the loan payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption

3 **Term deposits**

Term deposits consist of Guaranteed Investment Certificates with rates ranging between 1.75% and 4.00%. The certificates mature between July 23, 2023 and February 25, 2025.

4 **Property, plant and equipment purchases charged to the statement of operations**

Included in website development and maintenance expense is $5,000 (2022 - $Nil) for website design.

5 **Deferred income**

	2023	2022
Beginning balance	**$ 10,320**	$ 19,250
Less: amounts recognized as revenue in the year	**(10,320)**	(19,250)
Add: Founding member contributions and Grants (2022 - Grants and Sponships) received relating to the following year	**12,250**	10,320
	-	-
	$ 12,250	$ 10,320

6 **Loan payable**

Canadian Emergency Business Account loan through Affinity Credit Union. The loan is unsecured and bears 0% interest with no monthly payments required until December 31, 2023. $10,000 of the loan will be forgiven upon repayment of 75% of the outstanding balance on or before December 31, 2023. Should 75% of the loan not be repaid prior to December 31, 2023, the loan will convert to a 5% interest only loan and must be repaid in full ($40,000) by December 31, 2025.

7 Donations in kind

Included in the Statement of Operations are the following donated goods and services:

	2023	2022
Donations in kind - revenue	**$ 5,350**	$ 2,760

	2023	2022
Advertising and promotion	**$ -**	$ 2,760
Website development and maintenance	**5,350**	-
Donations in kind - expenses	**$ 5,350**	$ 2,760

8 Measurement uncertainty

The outbreak of the novel strain of coronavirus specifically identified as COVID-19 was declared a pandemic on March 12, 2020 by the World Health Organization. The outbreak has impacted both local and global economies. The outbreak has affected the organization's operations as it has transitioned from an in-person to a hybrid in-person and on-line education and training model. The duration and impact of the COVID-19 outbreak is currently unknown and it is not possible to make a reliable estimate.

9 Financial instruments

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis describes the organization's risk exposure as at June 30, 2023.

(a) Credit risk
The organization is exposed to this risk mainly in repect of its accounts receivable.

(b) Interest rate risk
The organization is exposed to interest rate risk on its fixed-rate financial instruments which consist solely of term deposits. Fixed-rate instruments subject the organization to risk of changes in fair value.

(c) Liquidity risk
The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and its loan payable.

Leadership Saskatoon Inc.

SCHEDULES TO THE FINANCIAL STATEMENTS
for the year ended June 30, 2023

Unaudited

Schedule of office expenses **Schedule 1**

	2023	2022
GST	**$ 3,530**	$ 2,422
Insurance	**1,082**	1,032
Interest and bank charges	**526**	150
Bad debts	**5,000**	-
Office supplies	**3,221**	480
Postage and courier	**-**	262
Telephone	**258**	1,015
Travel and parking	**88**	603
Website development and maintenance (Notes 4 and 7)	**5,350**	835
	$ 19,055	$ 6,799

Schedule of program delivery costs **Schedule 2**

	2023	2022
Challenge days	**$ 10,025**	$ 8,749
Graduation	**10,646**	4,237
Mentorship meet and greet	**621**	651
Opening retreat	**12,482**	8,816
Orientation	**478**	478
Program materials	**11,951**	11,454
	$ 46,203	$ 34,385