



AGRICULTURE COUNCIL
OF SASKATCHEWAN INC.

ANNUAL REPORT

2023 - 2024



AGRICULTURE COUNCIL
OF SASKATCHEWAN INC.

CHAIR REPORT

The past year was another busy time for Agriculture Council of Saskatchewan Inc. Changes to the Levy Central program are underway to modernize and update the database to enhance services to provide better access to information and reduce paper handling. Levy Central has added new clientele with the onboarding of Alberta Canola, and also changes to Saskatchewan Canola and Flax commissions amalgamating to Saskatchewan Oilseed Development Commission. As services evolve the organizations adopt new policies and practises to continue delivering stellar service to the industry. These ongoing changes streamline processes to ensure timely communication that benefits its membership

Work continues through Farm Sourced Foods to develop new opportunities for fruit and vegetable producers to increase their footprint in retail markets and expand their offerings of value added products ready for retail. Farm Sourced Foods working in conjunction with Federated Co-operatives continues to yield positive results to this sector of the agriculture industry. The introduction of new products utilizing Canadian grown crops have proven to be a winning combination for both western Canada's processors and producers.

The ACS Value Chain initiative has been a worthwhile investment for the industry. Value added opportunities continue to grow supported by the Saskatchewan Food Industry Development Centre processing capabilities. Greater pressure on food prices and a strong demand for locally sourced foods support the initiative and future development. The ACS Agriculture Management Program has provided the vision and structure that continues to provide its suite of services to the Saskatchewan agriculture industry.

I wish to again personally thank our Board of Directors for their dedication to the organization and the time they set aside to be actively involved with ACS. On behalf of the Board, I extend my sincere gratitude to all our staff for their willingness to focus on new initiatives and adjust to the ever-changing service environment and their commitment to exceptional quality customer service. On behalf of the board, I would like to thank Emile Marquette, who has represented Saskatchewan Vegetable Growers Association for 6 years on the Board, and Gilbert Provencher from the Saskatchewan Bison Association for 3 years on the Board for your support and time with the ACS Board. We truly enjoy the lively discussions and insight to our industry. The Board and Staff wish you all the best in the future. Finally, we would also like to welcome the three new members to the ACS Board, George Lewko representing Sask. Vegetable Growers Association, Denver Johnson representing Sask. Bison Association, and Mehmet Tulbek representing Sask. Food Industry Development Centre. The Board of Directors looks forward to working with you over the next year.

All the best to ACS in the year ahead!

Sincerely,

Dan Prefontaine, ACS Chair
Director Strategic Projects - The Food Centre



AGRICULTURE COUNCIL
OF SASKATCHEWAN INC.

Executive Director Report

Agriculture Council of Saskatchewan Inc. (ACS) has a very diverse 32-year history in Saskatchewan's agriculture & agri-food sector. ACS is a member-based agriculture organization with 15 full members & 2 supporter members over the past fiscal year. Our membership continues to be consistent as collaboration continues to grow within the agriculture & agri-food sectors within the ACS Programs.

The Agriculture Management Program (AMP) continues to provide various types of services to the Saskatchewan agriculture Industry along with a growing demand of collaborating with producers & food companies, expanding supply chain opportunities within the Canadian retail industry. The AMP program currently oversees the operations of the Saskatchewan Vegetable Growers Association, the Saskatchewan Fruit Growers Association and the Prairie Fresh Food Corporation. The AMP program also provides various levels of services to Farm Sourced Foods and OMD Food Products, along with a long line of small to mid-size food companies.

The Agri-Food Value Chain Initiative continues to see collaboration and partnership within the value-add sector. Innovation on the retailer shelf has created a new wave of attention in developing new types of value-added food products along with innovation in packing food products. Worldwide supply chain issues have created opportunities for a major increase in driving local collaboration in supplying ingredients along with finished goods. Attention to the consistent supply of goods is a major driver of change within the agri-food sector. Presently collaboration with Alberta & Saskatchewan based Greenhouse operations expanding opportunities within the value-add food category developing initiatives to expand the velocities of select greenhouse vegetables for further processing. With the collaboration we are also testing processes to develop a Western Canadian supply of retail ready seasoning programs along with a retail ready dehydrated vegetable bits program. Testing and collaboration continue to move in a very positive direction. Partnership with the Saskatchewan Food Development Centre PD Team continues to expand in a very positive manner with a variety of product reformulation processes and new product development projects. Another value chain initiative focuses with the Fruit Industry increasing velocities for strawberries, raspberries, seabuckthorn and black currant for both retail ready & value add food processing. Increasing demands for Western Canadian fruit content is driving the demands from the retail sector.

Levy Central continues to administer levy collection and related professional services for 10 commodity organizations across the Prairie provinces administering 11 levies. New initiatives in 2024 brought forward a new partner, Alberta Canola, along with the Saskatchewan Canola and Saskatchewan Flax Development commissions amalgamating into the new Saskatchewan Oilseed Development Commission. Another new initiative is the Levy Central database program upgrade initiative, along with the development of new reporting systems providing updated reporting systems to our Levy partners. The Levy Central database upgrade project presently has timelines of completion within a 10-month timeline.

Levy Central continues the initiative with the implementation of a paperless process which provided greater efficiencies throughout the levy collection process. A greater focus in 2025 with increased communications to all Buyers to implement an electronic payables process getting away from the cheque and mail process. Levy collection increased over the past fiscal year which was very positive for all commodity groups. Nicole Yip, Senior Operations Representative, will provide a greater overview within her report.

I would like to thank the ACS Staff, Judy, Nicole, Koren & Jesse for their dedication to the organization along with the high-quality of support they provide daily. I would like to thank the ACS Board of Directors for their continued support of the ACS Programs, along with the time they provide throughout the year. I look forward to 2025 with the various ACS programs, as we continue to support the Saskatchewan agriculture industry.

Bryan Kosteroski

Bryan Kosteroski
Executive Director
Agriculture Council of Saskatchewan Inc.



Levy Central Report For the ACS Annual General Meeting November 21, 2024

The Levy Central program administers levy collection and related professional services for Saskatchewan, Manitoba and Alberta commodity organizations. Levy Central currently contracts with 10 commodity organizations administering 11 levies, including:

- Alberta Canola Producers Commission
- Alberta Oat Growers Commission
- Canary Seed Development Commission of Saskatchewan
- Manitoba Oat Growers Association
- Saskatchewan Alfalfa Seed Producers Development Commission
- Saskatchewan Barley Development Commission
- Saskatchewan Mustard Development Commission
- Saskatchewan Oat Development Commission
- Saskatchewan Oilseeds Development Commission
- Saskatchewan Wheat Development Commission

The Saskatchewan Canola and Saskatchewan Flax Development Commissions amalgamated into the Saskatchewan Oilseeds Development Commission as of August 1, 2024, however, the canola and flax levies are still administered separately.

Levy Central went paperless on August 1, 2023, and it has streamlined the reporting process. We are also working on getting as many buyers as possible to pay electronically, rather than by paper cheque.

Levy Central collected \$32,069,481 in levies for the 2023-2024 crop year ending July 31, 2024; this is an increase of \$4,536,088 from the \$27,533,393 collected by July 31, 2023 for the 2022-2023 crop year. This levy collection involved the cooperation of 526 commodity buyers (down from 538) and represented deliveries from 60,226 (up from 52,810) agricultural producers. Core client services include levy collection, depositing and reporting; buyer follow up and individual producer transaction recording; annual buyer registration; refund preparation; mailing and voter's lists creation; year end reconciliation and documentation preparation; liaison with client auditors during their year end process, and serving as election Returning Officer, as requested.

Producer refunds are up in the 2023-2024 crop year, with \$1,998,276 as compared to \$1,916,863 last year; the number of producer refund applications was also up to 2,224 from 1,782 requesting refunds in 2022-2023. The percentage of levy refunds did decrease, however, as in 2021-2022 refunds were sitting at 6.96% of levy collected, while in 2023-2024 refunds were 6.23% of levy collected.

The Levy Central Operating Budget for 2024-2025 (\$345,400) is 1.25% of the total levies collected in the 2022-2023 crop year. This percentage is down from last year's 1.97%. Since the Levy Central program operates on a cost recovery basis, each client pays a portion of the operational costs based upon the number of buyers and producers that they have, in relation to the total buyer and producer pool. These numbers are reviewed annually to provide the most realistic basis for budget allocation. If Levy Central operating expenses for the year come in under budget, each client's budgeted share also decreases.

Levy Central acted as election Returning Officer this year to eight organizations.

Levy Central continues to be an ideal option for any organization seeking collection check-off administration. We focus on continuing to be cost effective, undertaking accurate, timely check-off collection for each of our clients based upon a shared fee formula.

-Nicole Yip, Senior Operations Representative, Levy Central

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Financial Statements

For the Year Ended July 31, 2024

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

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For the Year Ended July 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Agriculture Council of Saskatchewan Inc.

Opinion

We have audited the financial statements of Agriculture Council of Saskatchewan Inc. (the Council), which comprise the statement of financial position as at July 31, 2024, 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 July 31, 2024, 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.

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Independent Auditor's Report to the Board of Directors of Agriculture Council of Saskatchewan 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.

Lingard + Dreger

**Saskatoon, Saskatchewan
October 8, 2024**

Chartered Professional Accountants



AGRICULTURE COUNCIL OF SASKATCHEWAN INC.
Statement of Financial Position
As at July 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 536,514	\$ 556,560
Accounts receivable (Note 3)	162,891	176,558
Prepaid expenses	6,489	5,885
	705,894	739,003
TANGIBLE CAPITAL ASSETS (Note 4)	4,375	5,673
	\$ 710,269	\$ 744,676
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 5)	\$ 89,819	\$ 98,078
NET ASSETS		
UNRESTRICTED	319,127	334,185
INTERNALLY RESTRICTED (Note 6)	301,323	312,413
	620,450	646,598
	\$ 710,269	\$ 744,676
COMMITMENTS (Note 7)		
CONTINGENT LIABILITY (Note 8)		

APPROVED ON BEHALF OF THE BOARD


 Director


 Director

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Statement of Operations

For the Year Ended July 31, 2024

	2024	2023
REVENUE		
General Council <i>(Schedule 1)</i>	\$ 19,324	\$ 16,712
Levy Central Services <i>(Schedule 2)</i>	348,378	332,452
Agriculture Management Program <i>(Schedule 3)</i>	158,116	177,591
	525,818	526,755
EXPENSES		
General Council <i>(Schedule 1)</i>	13,742	11,874
Levy Central Services <i>(Schedule 2)</i>	359,468	312,853
Agriculture Management Program <i>(Schedule 3)</i>	178,756	175,473
	551,966	500,200
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (26,148)	\$ 26,555

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.**Statement of Operations - General Council****(Schedule 1)****For the Year Ended July 31, 2024**

	2024	2023
REVENUE		
Memberships	\$ 2,600	\$ 3,000
Interest	16,724	13,712
	19,324	16,712
EXPENSES		
Accounting and legal	11,157	9,998
Board of directors	894	1,194
Insurance	1,000	397
Office supplies and equipment	15	15
Website	676	270
	13,742	11,874
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 5,582	\$ 4,838

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Statement of Operations - Levy Central Services

(Schedule 2)

For the Year Ended July 31, 2024

	2024	2023
REVENUE		
Funds from clients	\$ 305,069	\$ 295,093
Administration professional services	30,507	29,509
Other client services	5,002	1,273
Interest	7,800	6,577
	348,378	332,452
EXPENSES		
Accounting and legal	20,647	16,995
Amortization of tangible capital assets	3,275	2,282
Courier and postage	16	709
Database support costs	21,677	19,828
Database technology enhancements	33,193	2,100
Insurance	2,640	3,077
IT services	5,347	4,158
Office supplies and equipment	7,158	6,597
Other client services	4,482	1,273
Rent	36,655	34,098
Telephone and photocopying	3,317	3,649
Travel	1,466	-
Wages and benefits	219,595	218,087
	359,468	312,853
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (11,090)	\$ 19,599

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.
Statement of Operations - Agriculture Management Program (Schedule 3)
For the Year Ended July 31, 2024

	2024	2023
REVENUE		
Client revenue	\$ 147,291	\$ 171,405
Interest	10,165	5,698
Other	660	488
	158,116	177,591
EXPENSES		
Accounting and legal	5,200	4,702
Amortization of tangible capital assets	-	122
Bad debt (Note 3)	-	1,100
IT services	635	574
Insurance	1,000	1,005
Office supplies and equipment	92	434
Photocopying	720	695
Rent	10,539	9,804
Salaries and wages	151,743	150,462
Telephone	3,211	2,720
Travel	5,616	3,855
	178,756	175,473
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (20,640)	\$ 2,118

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Statement of Changes in Net Assets

For the Year Ended July 31, 2024

	Unrestricted	Internally Restricted	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 334,185	\$ 312,413	\$ 646,598	\$ 620,043
Excess (deficiency) of revenue over expenses	(26,148)	-	(26,148)	26,555
Interfund transfers <i>(Note 6)</i>	11,090	(11,090)	-	-
NET ASSETS - END OF YEAR	\$ 319,127	\$ 301,323	\$ 620,450	\$ 646,598

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Statement of Cash Flows

For the Year Ended July 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ (26,148)	\$ 26,555
Item not affecting cash:		
Amortization of tangible capital assets	3,275	2,404
	(22,873)	28,959
Changes in non-cash working capital:		
Accounts receivable	13,667	(63,893)
Prepaid expenses	(604)	(536)
Accounts payable and accrued liabilities	(8,258)	69,693
	4,805	5,264
Cash flow from (used by) operating activities	(18,068)	34,223
INVESTING ACTIVITY		
Purchase of tangible capital assets	(1,978)	(3,416)
INCREASE (DECREASE) IN CASH	(20,046)	30,807
CASH - BEGINNING OF YEAR	556,560	525,753
CASH - END OF YEAR	\$ 536,514	\$ 556,560
CASH CONSISTS OF:		
Cash	\$ 536,514	\$ 556,560

See notes to the financial statements

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Notes to the Financial Statements

For the Year Ended July 31, 2024

1. NATURE OF OPERATIONS

Agriculture Council of Saskatchewan Inc. (the "Council") was incorporated under the *Non-Profit Corporations Act of Saskatchewan* on June 6, 1996. The purpose of the Council is to provide leadership and programming to advance the agriculture and agri-food sector, contributing to a healthy Saskatchewan community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Council follows the deferral method of accounting for contributions.

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.

Interest income is recognized as revenue using the accrual basis of accounting on a time proportion basis.

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

Agriculture Management Program

As part of its Agriculture Management Program (AMP) activities the Council purchases significant goods and services on behalf of its AMP clients, and subsequently receives reimbursement from AMP clients for these purchases. As the Council is not the principal in these transactions they have not been recorded as offsetting revenues and expenses in these financial statements.

Net assets

Net assets consist of the following:

- a) Internally restricted net assets are funds which have been designated for a specific purpose by the Council's Board of Directors as described in *Note 6*.
- b) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Council each year, net of transfers, and are available for general purposes.

Cash and cash equivalents

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

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Computer equipment	3 years
Furniture and equipment	5 years

Tangible capital asset additions in the year are amortized at one-half of the stated annual rates. Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Income taxes

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

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Expense allocations

Administrative expenses include accounting and legal, office supplies, photocopying, postage, salaries and benefits, and telephone. Certain administrative expenses are common to the operation of the Council and its Levy Central and Agriculture Management Program activities. These expenses have been allocated to the Levy Central and Agriculture Management Programs based on the percentage of employees' time spent supporting each activity. Such allocations are reviewed annually. The basis of allocation may be revised according to circumstances prevailing at any given time.

Financial instruments

Measurement of financial instruments

The Council initially measures its financial assets and financial liabilities at fair value.

The Council 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 statement of operations.

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

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

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. 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 the statement of operations.

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Significant estimates include, but are not limited to, the determination of the useful lives of long-lived assets.

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Notes to the Financial Statements

For the Year Ended July 31, 2024

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2024	2023
Accounts receivable	\$ 85,573	\$ 133,563
AMP expense reimbursements receivable	76,281	41,634
Receivable from employees	-	1,361
Redeemable credit card points	1,037	-
	\$ 162,891	\$ 176,558

As at July 31, 2024, an allowance for impairment of \$NIL (2023 - \$1,100) was recognized with respect to an account receivable from a client with a gross carrying amount of \$NIL (2023 - \$1,100).

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 10,553	\$ 6,481	\$ 4,072	\$ 5,283
Furniture and equipment	433	130	303	390
	\$ 10,986	\$ 6,611	\$ 4,375	\$ 5,673

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accounts payable and accrued liabilities	\$ 9,300	\$ 2,610
Vacation payable	21,458	16,475
AMP expenses to be reimbursed payable	59,061	78,993
	\$ 89,819	\$ 98,078

6. INTERNALLY RESTRICTED NET ASSETS

The Board of Directors has set up the Levy Central Services internally restricted net assets to be used for programs and services that will benefit Levy Central Services members and clients. The Levy Central Services funds are internally restricted to be used as follows:

	2024	2023
Levy Central Services		
Database	\$ 40,000	\$ 40,000
Equipment	20,000	20,000
Operations	226,323	237,413
Website	15,000	15,000
	\$ 301,323	\$ 312,413

During the year the Board transferred \$11,090 to unrestricted net assets from internally restricted net assets, representing the fiscal year surplus of Levy Central Services as per the Council's financial policy (2023 - \$19,599 transferred to internally restricted net assets).

AGRICULTURE COUNCIL OF SASKATCHEWAN INC.

Notes to the Financial Statements

For the Year Ended July 31, 2024

7. COMMITMENTS

The Council is committed to an office lease for its premises at 2335 Schuyler Street, Saskatoon, Saskatchewan with a minimum monthly cost of \$3,833 plus GST, expiring March 31, 2026.

Estimated minimum annual payments over the term of the lease are as follows:

2025	\$	48,292
2026		32,195
	\$	80,487

8. CONTINGENT LIABILITY

The Council has a contingent liability for accrued sick time as employees are allowed to accumulate up to 90 sick days. The sick leave contingent liability represents sick days which have accrued to employees who, if on sick leave, would require a replacement worker to perform their daily duties. In the event that employees were to fully utilize their accumulated sick days the sick leave liability would be significant.

9. FINANCIAL INSTRUMENTS

The Council, as part of its operations, carries a number of financial instruments. It is management's opinion that the Council is not exposed to significant risks arising from these financial instruments except as follows:

Credit risk

The Council is exposed to credit risk as it grants credit to its clients in the normal course of operations. To mitigate this risk, management regularly reviews its accounts receivable list, and based on knowledge of their clients, will stop granting credit to clients who have not made regular payments in the past.

Liquidity risk

Liquidity risk is the risk 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 for which repayment is required at various maturity dates

The Council manages the liquidity risk resulting from its accounts payable and accrued liabilities by constantly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash.
