



ANNUAL REPORT  
1997 - 1998

# CULTURE COUNTS

A dark blue horizontal bar containing the numbers 1 through 9 in a light pink color. Each number is stylized and incorporates a different cultural icon: 1 (a torch), 2 (a feather), 3 (a bird), 4 (a star), 5 (a map of Saskatchewan), 6 (a spiral), 7 (a trumpet), 8 (a drum), and 9 (a house).



*Be it resolved that the members of the Saskatchewan Council of Cultural Organizations approve the amendments to the SCCO Constitution and Bylaws.*

*October 18, 1997*

Saskatchewan Council of Cultural Organizations officially evolves to become SaskCulture Inc.

## **OUR VISION**

SaskCulture Inc. strives to build a culturally vibrant future in which all citizens of Saskatchewan, individually and collectively, celebrate, value and support participation in and access to cultural experience.

## **OUR MISSION**

SaskCulture Inc. represents the cultural community as a whole and assists the cultural community in its endeavours to develop and promote the cultural life of the province.

## **OUR PRINCIPLES**

- There is strength in common purpose;
  - Representative of and responsive to Saskatchewan people; and
  - Access to enabling resources.
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# President's Report



photo  
courtesy:  
Don Hall

I was elected to the board of SCCO in 1992, and became president in 1996. These were momentous years for SCCO, and I am delighted to say that this transition has brought us to the doorway of a new cultural era. SaskCulture Inc. is a dynamic new organization that will continue to make us all proud to be part of this community.

Let me review some of our accomplishments over this past year:

- The 1997 fall meeting completed the transition of SCCO into SaskCulture. I congratulate this community for meeting a very difficult challenge. The SaskCulture you have created, and are still developing, is good for this community, for our global partners (Sask Sport Inc. and SPRA), and for the province.
- The 1997 Tri-global conference was a massive effort and is vitally important for the opportunity it provided to showcase and advocate the cultural community. The Volunteer Awards Night Banquet also provided an all too rare opportunity to demonstrate our pride in the accomplishments of this community.
- The new lottery License Agreement provided a critical reduction in the license fee and provided urgent relief from further funding cuts for the cultural community.
- In the May 1998 edition of *Cultural Report*, we were presented with SaskCulture's new visual identity. I hope it conveys for you, as it does for me, the sense that SaskCulture is evolving from SCCO, and is poised to make meaningful its expanded mandate to a potentially larger and more diverse membership.
- On February 27th, SaskCulture hosted a meeting of PCOs to work on a strategy to improve services in the north. SaskCulture also participated in the Northern Recreation Coordinating Committee Conference in Prince Albert on May 8-10, 1998.
- An historic agreement with the Saskatchewan Arts Board was signed in November 1997, bringing the Arts Board and SaskCulture together as partners in the development of a single arts agency. In another partnership endeavour, the Saskatchewan Arts Alliance and SaskCulture are helping the Arts Board develop an advisory process.
- Agreement has been reached to allow SaskCulture to facilitate the work of the Saskatchewan Sectoral Council for Culture (SSCC). As part of this initiative, SaskCulture is coordinating a sector partnerships project to develop an inventory of Saskatchewan training programs for cultural workers. Funding for the inventory project has been provided by the department of Post-Secondary Education and Skills Training.
- The Saskatchewan Cultural Export Initiative is pursuing the idea of a Cultural Export forum in early 1999. The goal of the export initiative is to facilitate awareness of the export process, and to assist cultural practitioners in this endeavour. Three goals have emerged from these discussions:
  1. provide networking opportunities for the cultural community and government;
  2. assist export activity by helping organizations understand the export process; and,
  3. provide focused Saskatchewan input into federal and provincial policy initiatives.
- On March 19th at the pre-budget meeting for the cultural community, the Hon. Carol Teichrob announced a tax credit for the film industry. We sincerely appreciate this assistance to Saskatchewan's cultural industries.
- SaskCulture and the Saskatchewan Arts Board jointly hosted the MLA reception on May 13.
- On May 13th PCOs met with the board to discuss the new constitution, the Cultural Policy, and many other issues. As part of this consultation series, the board also met with several PCOs in Saskatoon on April 4<sup>th</sup>. I extend my thanks to the membership for these stimulating and constructive meetings.
- The board has begun meetings with the membership and interested parties to explore specific issues related to our communities of interest.
- Mary Mahon Jones, Olivia Shumski, and Grant McDonald moved on with our goodwill and in search of new personal challenges. SaskCulture misses all three, and we wish them the best in their new endeavours. We welcome Holly Wildeman, Andrea Wagner, Elizabeth Verrall & Rose Gilks to their new positions.

Finally, I am reminded every day that it is an honour to serve as your president and I thank you for this. I also extend my deepest appreciation to the staff of SaskCulture for their wonderful help in the transition to our new organization. Thank you all.

Respectfully submitted,  
Ken Sagal, President

# General Manager's Report

*Without contraries, there is no progression.*

**William Blake, *The Marriage of Heaven and Hell***

SaskCulture's 1997-98 year, which began as the Saskatchewan Council of Cultural Organizations (SCCO) on April 1, 1997, and ended on March 31, 1998 as SaskCulture was certainly a year of progression. Many people within the community felt the organization would evolve into SaskCulture in June of 1997. But, that was not to be; the community was not ready and further work was needed if SCCO was to be given the mandate to become SaskCulture. The wisdom of hindsight is that the decision to delay the final decision about the future of the organization until the fall meeting was a wise one. It gave the community a better chance to review the proposed SaskCulture model, to consult and dialogue with one another and, in the end, come together in support of SaskCulture.

The motion to enable SCCO to evolve into SaskCulture on October 18, 1998 has simply laid the ground work for the future of SaskCulture. The organization's role in the new millennium will depend upon the needs of the cultural community in Saskatchewan. As stated in the second Principles & Values Statement of its new constitution, "SaskCulture will be representative of and responsive to Saskatchewan people". If SaskCulture is to fulfill this role it must be a good listener and it must become more proactive rather than reactive. In my role as acting general manager for the last three months of the 1997-98 year I saw myself in an enabling or facilitator role and that is the way I see myself continuing in the position of General Manager.

In addition to the 1997-98 twelve month year this annual report also covers the four month transition period that takes the organization from the end of its old fiscal year which ended March 31, 1998 to the beginning of its new fiscal year which started August 1, 1998.

And ...what a sixteen months it has been!

## **Within the first four months the organization:**

- was challenged by the community's decision to not pass the amendments that would enable it to become SaskCulture;
- was able to inform the community that a new lottery license agreement, with a fee of \$13 million, was signed by government;
- completed a major review of the culture section of Saskatchewan Lotteries Trust Fund in response to government's concerns as expressed in the new lottery agreement;
- revised the grant application and follow-up reporting mechanisms for the cultural section of the Trust;



*photo  
courtesy:  
Don Hall*

- became involved with Tourism Saskatchewan's Cultural Tourism Task Force;
- completed work as part of the province's Parks Tomorrow Task Force;
- entered into a partnership agreement with the Saskatchewan Sectoral Council for Culture (SSCC) to provide ongoing operational support;
- entered into an agreement with the Museums Association of Saskatchewan (MAS) to implement a training institute on program evaluation for members of the broader cultural community as well as museums;
- took the lead role in responding to funding concerns in the museums community by bringing together relevant players to determine the composition, needs and priorities of the museums of Saskatchewan and to provide a responsive framework for the most effective allocation and development of public funding to the museum community.

## **Within the next four months the organization:**

- worked with the Saskatchewan Arts Board and the Saskatchewan Arts Alliance to establish the Arts Board's new Advisory processes, pursuant to Bill 51;
- undertook an initiative that would see it filling a lead role for Saskatchewan's cultural sector involvement in the Canadian International Business Strategy;
- fulfilled its partnership role with Sask Sport Inc. and the Saskatchewan Parks and Recreation Association in regard to the first ever tri-global conference;
- received unanimous support at its fall membership meeting to evolve into SaskCulture.

**In the final four months of the SCCO year the organization:**

- completed a protocol agreement with the Saskatchewan Arts Board to enable arts provincial cultural organizations to receive their funding through a Single Arts Agency;
- underwent significant staff changes with Mary Mahon Jones (General Manager), Olivia Shumski (Advocacy & Events Manager) and Grant McDonald (Marketing & Systems Manager) all leaving to take up new challenges;
- undertook all the changes necessary to complete the change in identity from SCCO to SaskCulture. This included everything from developing a new logo and design of the Cultural Report to revising the constitution, cultural policy, membership brochure, all stationary items and all documents;
- held membership consultation meetings with the current members in both Regina and Saskatoon to obtain further input on the constitution, cultural policy and any other items of concern;
- conducted a compensation study of the provincial cultural organizations;
- held its most successful ever MLA reception in partnership with the Saskatchewan Arts Board;
- contracted with a current staff member to fill the position of acting general manager for six months while a firm was hired to conduct a search for a replacement;
- hired a new Advocacy & Events Manager as well as a Program Manager in an attempt to maintain a level of service comparable to the previous four months;
- participated in a task force on aboriginal funding and funding to northern Saskatchewan through the lottery strategic review committee;
- secured funding through the Job Start/Future Skills Sector partnerships program of the Dept. of Post-Secondary Education and Skills Training in partnership with the SSCC and ArtSchool Saskatchewan. This project will provide the cultural community with much needed information for future resource development.

**During the four month transition period the organization:**

- held a spring membership meeting to update the community on SaskCulture's progress toward its new mandate as well as hear from the membership on the nominations process and any other relevant issues;
- completed an eligibility review of one eligible organization as well as one applicant for eligibility and had the applicable sections of the cultural policy added to the eligibility criteria for the cultural section of the Trust;
- revised the Trust Handbook for the Cultural section of the Trust;
- conducted a membership survey to help define the future role of SaskCulture;

- completed a space and service inventory of the PCO community to determine future needs;
- hired a new General Manager and Cultural Trust Manager;
- developed a membership campaign, nominations package and began a review of all policies and procedures within the organization.


I am excited about the organization's accomplishments over the past sixteen months and I am proud to be a part of the team that made them happen. This list only tells the story of those activities that were not the ongoing or special efforts within those programs. For example, I did not say mention the CAP/ODP funding programs yet, we had a total of 192 applications of which 102 were funded. SaskCulture's ongoing work as Trustee for the Cultural Section of the Trust and coordination of the Pension and Benefits program on behalf of culture, as well as numerous other items which are listed under ongoing programs within another section of the report, certainly make for a challenging workplace.

The individuals that you have elected to your Board and the CAC, as well as volunteer appointments to other committees and task forces, are very committed and kind people who do a tremendous amount of work on your behalf. The staff working on your behalf at SaskCulture is totally dedicated to the good of the organization and the community. Knowing we were working together, supporting one another and sharing a laugh, or sometimes a tear, has enabled SaskCulture to succeed through the transition. Hopefully that same kind of energy and commitment can carry us forward.

As we go forward, SaskCulture's corporate history as SCCO cannot be forgotten. Although SaskCulture has a broader mandate and a stronger presence than its predecessor, the essence of what was needs to be maintained and enhanced as the organization moves forward.

In bridging the old to the new the organization must be sensitive to the fall-out from restructuring. Many individuals and organizations are feeling burned out and beaten down as a result of the seven year process. Some members of the community feel their issues have been passed over in favour of others. Yet, despite these concerns the community has overwhelmingly supported the formation of SaskCulture by passing the constitutional changes enabling its existence. By recognizing the need for strategies that "bridge the old to the new" as its main key result for the current year the board is very cognizant of growing into the role of a "cultural congress." Adjustments are needed to bring the operations of the organization into line with its new constitution and all aspects of the operation must be reviewed to see what should be kept, strengthened or discontinued as SaskCulture moves forward.

Respectfully submitted,  
Rose Gilks, General Manager



# Cultural Section of the Trust 1997-98

The new lottery license agreement for the period of April 1, 1997 to March 31, 2000 is in place and the situation facing the culture section of the Trust is much better than that of the last three years. For the first year of the agreement, which ended March 31, 1998, the level of funding was such that the PCO block saw a further 3% reduction in order to bring the bottom line expenditures for spending plan of the culture section of the Trust in line with revenues. A nice surprise at the end of the fiscal year was that the overall allocation to culture was slightly more than budgeted, thus enabling the section to restore its reserves to the minimum required level of 25% of its annual allocation. The unexpected cash infusion was as a result of a few large prize draws near the end of the season so the section cannot depend upon that level of revenue in subsequent years. Having those reserves stabilized has enabled the section to go into the 1998-99 year with no further reductions to any funding blocks.

The new annual global funding package for PCOs has just finished its first complete cycle and so far it has proven to be very effective in assisting the Cultural Advisory Committee in using the performance indicators of the cultural policy as the main evaluation tool in its adjudication process. The follow-up report has also been altered to enable SaskCulture to collect the information that is required as part of the accountability process for culture's share of the lottery dollars. A revised copy of the Trust Handbook was also completed and was distributed to assist PCOs in understanding and accessing annual global funding.

For the fiscal period ending March 31, 1998 the culture section of the Trust allocated funding as follows:

FUNDING BLOCK	CATEGORY	AMOUNT	% of TOTAL
PCO Block	Annual Global Funding	\$4,351,500	70.56
Tri-partite Block	Administration Centre	\$82,240	1.34
Administered Fund	Museum & Gallery Grant Program	\$416,500	6.76
Administered Fund	Artist-in-Residence Program	\$108,500	1.76
Administered Fund	Cultural Assistance / Organizational Development	\$221,000	3.59
Administered Fund	Festivals	\$166,000	2.70
Administered Fund	Global Functions	\$30,000	0.49
Administered Fund	SSCC	\$15,000	.024
Administered Fund	Strategic Initiatives	\$58,000	0.94
SaskCulture	Operations	\$224,804	3.65
Directed	Mendel, Wanuskewin, Sask. Express	\$491,000	7.97
<b>TOTAL</b>		<b>\$6,159,544</b>	<b>100%</b>

This leaves a balance of \$2,287,000 to be carried forward for the 1998-99 year and, as mentioned earlier, enables the section to meet the cashflow requirement of carrying a minimum balance of 25% of the annual allocation to culture forward into the next year.

A very special thank-you is extended Richard Moldenhauer and Karen Haggman upon their completion of very challenging terms on the Cultural Advisory Committee. Both of these individuals provided a level of commitment and knowledge to the committee that will be missed.

## Cultural Assistance Program

A total of \$192,705 was granted in support of 102 project/travel/training grants during fiscal year 1997-98 by the volunteer committee of the Cultural Assistance Program (CAP).

During 1998, policies and guidelines have undergone a review and will be released in 1999. Work on the program's administrative processes was undertaken, along with structural changes to the database system, to stream-line the process for both staff and applicants.

## Organizational Development Program

The Organizational Development Program (ODP) provides assistance to cultural organizations that demonstrate the need for funding to develop province-wide services that enhance the well-being of the cultural community and the quality of life in Saskatchewan.

Criteria for granting assistance is based on the cultural policy, and during 1998 began being adjudicated by the Cultural Assistance Program committee. In 1997-98, five applications were reviewed and a total of \$33,700 was granted in support of the following groups: Saskatchewan Arts Alliance, ArtSchool Saskatchewan.

*NOTE:* The total for CAP/ODP is \$5,405 more than the amount listed for this line item in the table on page 5. This is due to the fact that grant funds, returned from the previous year, are added back into the grant programs.

## Saskatchewan Lotteries Community Grant Program

Approximately \$4 million lottery dollars are allocated each year through this tri-global program to Saskatchewan communities for sport, culture and recreation projects at the community level. The program is administered through municipalities, primarily through community recreation boards, while cities have slightly different and unique distribution committees. An advisory committee, with representation from all three global organizations, meets to review granting and address policy issues.

## Eligibility

The Eligibility Committee's Terms of Reference were further revamped during year to comply with revisions made to the overall Guidelines for Saskatchewan Lotteries Trust Fund and SaskCulture's Cultural Policy. No organizations were granted eligibility in 1997-98, and one eligible organization underwent an eligibility review.

# The Year in Review

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## New Initiatives

### Saskatchewan's Museum Funding Review

A decline in funding to Saskatchewan's museum community over the past five years, and the resultant concerns of this community, prompted a funding review to be initiated by SaskCulture. Leading the process, SaskCulture brought together the following agencies to conduct a preliminary review of the funding situation and to discuss the future of assistance to the museum community: Saskatchewan Arts Board, the Museums Association of Saskatchewan, the Saskatchewan Department of Municipal Government, Saskatchewan Urban Municipalities Association, the Saskatchewan Heritage Foundation, and the Department of Canadian Heritage.

The objectives of the funding review were to establish the funding needs of the museum community, through a process of consultation, and propose a responsive framework for further development of public funding to establish the most effective allocation of this funding to the museum community.

The review process, with the assistance of Anderson/Fast & Associates, was comprised of the gathering of information and opinions by administering a survey; summarizing the various sources of funding to the museum community; consultation with stakeholders; analysis of data to set a strategic direction; and developing a responsive and strategic framework to determine key initiatives and recommendations for the community funding partners over the next number of years. Now in the final stage of completion, the report will be released in the late Fall of 1998.

### Membership Survey

To assist SaskCulture in determining its future role and direction, a survey of current and potential members was undertaken in 1998 to determine the current level of member satisfaction with the organization's programs and services, as well as the needs of the cultural community. One of the survey's findings was that the perceived primary role of SaskCulture, by members and non-members, is that of a funding agency and to advocate on behalf of the cultural community. This, along with other findings will help SaskCulture determine strategies to lead the organization to better serve member needs, the broader needs of the cultural community, and establish its presence as the "voice for culture" in Saskatchewan.

## Saskatchewan Sectoral Council for Culture (SSCC)

The Saskatchewan Sectoral Council for Culture seeks to build a vibrant and growing cultural sector that will enhance Saskatchewan culturally and economically through the development of professional training for the cultural sector and by sustaining and advancing professional skills for cultural workers in Saskatchewan. The work of the Sectoral Council is taking on increased importance in light of the devolution of certain human resource development responsibilities by Human Resources Development Canada.

SaskCulture supports the development of the Council by assigning a staff person to work with the Council's Advisory Committee. SaskCulture values the efforts of the Council to promote cultural work as real work and to ensure that there are adequate training opportunities for the current and future cultural labour force.

A current SSCC initiative is the Sector Partnership Project. This is a joint project with SaskCulture and ArtSchool Saskatchewan, which will see the development of an on-line database of training providers and a needs assessment and gap analysis around training in the cultural sector. Funding for this project has been provided by Post Secondary Education and Skills Training.

## MLA Reception

May 13, 1998 was the date of the first MLA Reception to be co-hosted by SaskCulture and the Saskatchewan Arts Board. In the spirit of partnership and working together, the Arts and Cultural community came together with twenty-four Members of the Legislative Assembly and the Hon. Roy Romano, Premier of Saskatchewan. The event was very well received by participants and served to build ties for future cooperation.

## Tri-global Conference: InterAction '97

In October of 1997 the members of Sask Sport Inc., Saskatchewan Council of Cultural Organizations, and Saskatchewan Parks and Recreation Association came together for a joint conference. This first-ever event provided a unique opportunity for the lottery community to come together for professional development sessions, network with each other, and celebrate the contribution volunteers make in our communities at the Volunteer Awards Banquet. Planning for the second tri-global conference was undertaken for 1998.

## Cultural Export Initiative

The Cultural Export Initiative is the Saskatchewan cultural community's response to the Canadian International Business Strategy. The goal of the initiative is to foster a climate of heightened awareness and education of the export process by cultural practitioners, and to assist those who are interested in becoming involved in the export process to do so.

The first step in this initiative is to hold an educational forum. *Flatland Culture Goes Global: An Export Forum* is being planned for January 7 & 8, 1999. The forum will assist export activity through a heightened level of knowledge regarding the export process and relevant services available. SaskCulture is spearheading this initiative in an effort to help promote Saskatchewan's culture to the world.

## Compensation Study

In 1998 SaskCulture contracted with INOVA LEARNING to complete a compensation study on the PCO community. The study was completed in follow-up to the original study done in 1993. The new study, as well as identifying salaries and benefits, also indicated areas that PCOs need human resource training, such as Labour Standards.

## Protocol Agreement

In November 1997 a Protocol Agreement between SaskCulture and the Saskatchewan Arts Board was signed to enable the development of a single arts agency. Work on this continues, in partnership with each other, and in consultation with arts provincial cultural organizations and the Saskatchewan Arts Alliance.

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## Ongoing Member Services

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- Group Benefits and Pension Plan
- Liability Insurance
- Bonding Program
- Board Representation at Member Events and External Conferences and Events, Presentations to External Audiences
- Executive Directors' Meetings
- Cultural Report
- Trade Show participation and promotion of the cultural community (SUMA, SARM, Cultural Awareness Week-Regina, Agribition)



# SCCO/SaskCulture Board of Directors

June 1997 - October 1998

**President:** Ken Sagal (term expires 1998)  
**Vice-President:** Ann Kipling Brown (1998)  
**Past-President:** Cheryl Bauer Hyde (1998)  
**Directors:** Sheila Archer (1999)  
Kathy Belter (1998)  
Wenda McArthur (1998)  
John Rozdilsky (1998)  
Herman Slotsve (1999)  
Jack Walton (1998)  
Martha Zacharias (1997)

## SCCO/SaskCulture Staff

Mary Mahon Jones, General Manager (to Dec. 97)  
Rose Gilks, Cultural Trust Manager,  
Acting General Manager, General Manager ('98)  
Eleanor Adams, Administrative Assistant  
Pat Fairbairn, Administrative Assistant  
Elaine Gillespie, Administrative Assistant  
Janice Kyle, Business Administrator  
Grant McDonald, Marketing/Systems Manager ('97)  
Olivia Shumski, Advocacy & Events Manager ('97)  
Andrea Wagner, Program Manager ('98)  
Holly Wildeman, Communications & Events Manager ('98)  
Elizabeth Verrall, Cultural Trust Manager ('98)

## Committees

**Audit Committee:** Kathy Belter, Cheryl Bauer Hyde

**Cultural Advisory Committee:**

Richard Moldenhauer - Chair, Carmen Milenkovic -  
Vice-Chair, Patti Zerr, Harbir Batra, Bruno Kossmann,  
Karen Haggman

**Cultural Assistance Program Committee:**

Ann Kipling Brown - Chair, Ved Arora - partial year  
Barb Cameron - partial year, Darlene Clark, Daniel  
Porttriss, Gary Robins - partial year,  
Margaret Morrisette/Ethna Coneghan, Government  
Liaison, Staff Liaison: Grant McDonald, Holly  
Wildeman

**Eligibility Committee:**

John Rozdilsky - Chair, Kathy Belter, Wenda McArthur,  
Carmen Milenkovic, Rose Gilks - Staff Liaison

**Heritage Saskatchewan**

All heritage PCO's have a representative on this  
committee. Grant McDonald - Staff Liaison

**Board Liaison Committee:**

Sheila Archer, Jack Walton, Ken Sagal

**Nominations Committee:**

Cheryl Bauer Hyde - Chair, Jack Walton,  
Herman Slotsve

**EXTERNAL COMMITTEES**

- Appointments & Representation -

**Administration Centre:**

Pat Fairbairn, Janice Kyle

**Lottery Strategic Review Committee:**

Ken Sagal, Ann Kipling Brown, Rose Gilks

**Lottery Strategic Review Task Forces**

Information Gathering  
Aboriginal Funding Review  
Northern Resource Review

Mary Mahon Jones, Rose Gilks

**Recreation Leisure – Kelsey:** Jack Walton

**Resource Centre:** Ved Arora

**Resource Centre Technical and Policy Advisory  
Committee:** Karen Haggman

**Regina Arts Commission:** Cheryl Bauer Hyde,  
Mary Mahon Jones

**Resident Artist Program Steering Committee:**

Mary Mahon Jones, Rose Gilks

**Saskatchewan Lotteries Community Grant**

**Program:** Ann Kipling Brown, Bruno Kossmann,  
Grant McDonald, Holly Wildeman

**Sask Lotteries Trust Fund for Sport, Culture &  
Recreation:** Ann Kipling Brown, Rose Gilks

**Tourism Saskatchewan:**

Jeremy Morgan (shared position with Sask. Arts  
Alliance), Olivia Shumski - partial year, Pat Fairbairn -  
partial year, Holly Wildeman - partial year

**External Committees – Nominated by SaskCulture**

**Interim Heritage Council:** Ken Sagal

**Associated Entities Fund:** Cheryl Bauer Hyde

# Auditors' Report



## To the Members of the SaskCulture Inc.

We have audited the statement of financial position of SaskCulture Inc. as at July 31, 1998, and the statements of operations and changes in net assets and cash flows for the four month period then ended (note 1). These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at July 31, 1998, and the results of its operations and the changes in its financial position for the four month period then ended in accordance with generally accepted accounting principles.

KPMG

Chartered Accountants

Regina, Canada  
AUGUST 21, 1998

## SCCO / SASKCULTURE INC.

### Statement of Financial Position

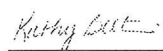
July 31, 1998, with comparative figures for March 31, 1998

	July 31, 1998	March 31, 1998
<b>Assets</b>		
Current assets:		
Cash and short-term investments	\$ 727,685	266,260
Accounts receivable	8,432	7,705
Benefit plan receivable (note 3)	12,504	28,696
<u>Prepaid expenses</u>	<u>1,133</u>	<u>773</u>
	749,754	303,434
<u>Capital assets (note 4)</u>	<u>30,714</u>	<u>23,129</u>
	<u>\$ 780,468</u>	<u>326,563</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Accounts payable	\$ 15,406	42,545
Due to Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	-	25,891
Deferred global funding	215,000	-
<u>Administered funds deferred revenue (note 5)</u>	<u>455,313</u>	<u>151,150</u>
	685,719	219,586
<u>Net assets</u>	<u>94,749</u>	<u>106,977</u>
	<u>\$ 780,468</u>	<u>326,563</u>

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

## Statement of Operations and Changes in Net Assets

Four month period ended July 31, 1998, with comparative figures for the year ended March 31, 1998

	July 31, 1998	March 31, 1998
<b>Revenue:</b>		
Grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation:		
Global funding	\$ 136,000	417,694
Global services	9,919	15,278
Program initiatives (note 5)	189,418	991,566
Self-generated:		
Employment grant	1,068	2,373
Interest	3,512	16,614
Memberships	-	1,825
Registrations	-	2,190
Sundry	2,001	9,004
Workshops	-	3,369
	<hr/> 341,918	<hr/> 1,459,913
<b>Expenses:</b>		
Amortization	2,727	9,394
Communications and marketing	8,312	15,417
Global services	9,919	15,278
Office expenses	15,869	55,212
Organizational expenses	15,148	29,357
Fall conference	387	8,360
Member services	7,312	-
Program initiatives (note 5)	189,418	991,566
Salaries and benefits	91,139	294,739
Travel and meeting expenses	13,915	46,879
	<hr/> 354,146	<hr/> 1,466,202
Deficiency of revenue over expenses	(12,228)	(6,289)
Net assets, beginning of period	106,977	113,266
Net assets, end of period	<hr/> \$ 94,749	<hr/> 106,977

## Statement of Cash Flows

Four month period ended July 31, 1998, with comparative figures for the year ended March 31, 1998

	July 31, 1998	March 31, 1998
Cash provided by (used in):		
<b>Operations:</b>		
Deficiency of revenue over expenses	\$ (12,228)	(6,289)
Item not involving cash:		
Amortization	2,727	9,394
Change in non-cash operating working capital:		
Accounts receivable	(727)	(3,546)
Benefit plan receivable	16,192	1,958
Prepaid expenses	(360)	795
Accounts payable	(27,139)	(90,200)
Due to Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	(25,891)	(15,732)
Deferred global funding	215,000	-
Administered funds deferred revenue	304,163	19,055
	<hr/> 471,737	<hr/> (84,565)
<b>Investments:</b>		
Purchase of capital assets	<hr/> (10,312)	<hr/> (4,618)
Increase (decrease) in cash	461,425	(89,183)
Cash and short-term investments, beginning of period	266,260	355,443
Cash and short-term investments, end of period	<hr/> \$ 727,685	<hr/> 266,260

See accompanying notes to financial statements.

# Notes to Financial Statements

July 31, 1998

## 1. Nature of operations:

SaskCulture Inc. (the "Corporation"), a non-profit corporation, has as its members various organizations and individuals who have come together to further the course of culture within Saskatchewan. It works with its partners Sask Sport Inc. and the Saskatchewan Parks and Recreation Association, to manage the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. In addition to its own operations the Corporation also directly administers specific funding programs. During the year, the Corporation changed its year end from March 31 to July 31.

The Corporation currently receives significant revenues in grants from Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. As a result, the corporation is dependent upon the continued levels of funding to maintain programs at their current level.

## 2. Significant accounting policies:

### *Administered funds:*

The Corporation administers certain funding programs for its members and the Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation. Any revenue received by the Corporation relating to these programs are deferred until ultimate payment is made.

### *Amortization:*

Capital assets are recorded at cost and amortization is provided for using the straight-line method over the estimated useful life of the asset at the following rates:

Office equipment	10 years
Computer equipment	5 years
Display equipment	3 years

### *Income taxes:*

The Corporation is continued under *The Non-profit Corporations Act* of Saskatchewan. Under present legislation, no income taxes are payable on reported income of such corporations.

### *Investments:*

Investments are short-term in nature and are recorded at cost less any writedown to reflect a permanent impairment in value.

### *Revenue recognition:*

Grant revenue is recorded in the period to which it relates. Grant revenue for specific programs related to future periods is deferred and recognized as revenue in the subsequent period to match expenses related to these specific programs.

### *Measurement uncertainty:*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.



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