

SaskCulture Inc.
Financial Statements
March 31, 2026

Independent Auditor's Report

To the Members of SaskCulture Inc.:

Opinion

We have audited the financial statements of SaskCulture Inc. (the "Organization"), which comprise the statement of financial position as at March 31, 2026, 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 Organization as at March 31, 2026, 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.

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 Organization in accordance with the 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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.

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 Organization'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 Organization'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 Organization 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.

MNP LLP

Regina, Saskatchewan

May 9, 2026

Chartered Professional Accountants

SaskCulture Inc.
Statement of Financial Position
As at March 31, 2026

	2026	2025
Assets		
Current		
Cash and short-term investments <i>(Note 3)</i>	3,184,041	2,952,369
Prepaid expenses and deposits	82	-
GST receivable	22,896	11,861
	3,207,019	2,964,230
Intangible assets <i>(Note 4)</i>	117,894	121,818
Capital assets <i>(Note 5)</i>	63,927	43,334
	3,388,840	3,129,382
Liabilities		
Current		
Accounts payable and accruals	165,026	176,161
Due to Sask Lotteries Trust Fund - Operations <i>(Note 6)</i>	199,174	192,915
Holdbacks payable <i>(Note 8)</i>	837,750	868,974
Due to Sask Lotteries Trust Fund - Programs <i>(Note 8)</i>	261,774	100,238
Due to Creative Kids	-	5,625
Deferred revenue	135	-
	1,463,859	1,343,913
Net Assets		
Invested in capital and intangible assets	181,821	165,152
Unrestricted	1,743,160	1,620,317
	1,924,981	1,785,469
	3,388,840	3,129,382

Approved on behalf of the Board



 Director



 Director

The accompanying notes are an integral part of these financial statements

SaskCulture Inc.
Statement of Operations
For the year ended March 31, 2026

	2026	2025
Revenue		
Grants from Sask Lotteries Trust Fund for Sport, Culture and Recreation (Note 6), (Note 8)		
Program Initiatives	6,677,811	6,679,942
SaskCulture Operations	2,999,136	3,003,479
Culture Days Delivery	175,000	149,919
Creative Kids Operations (Note 9)	72,340	79,487
	9,924,287	9,912,827
Northern Sport, Culture and Recreation District (NSCRD)	-	2,581
	9,924,287	9,915,408
Self-generated		
Interest	119,534	141,258
Memberships	14,498	14,940
Miscellaneous	5,480	4,968
	139,512	161,166
Total revenue	10,063,799	10,076,574
Expenses		
Program Initiatives	6,677,811	6,679,942
Northern Youth Cultural Fund (NDSCR)	-	2,581
	6,677,811	6,682,523
SaskCulture Operations		
Salaries and benefits	2,170,492	2,050,833
Office	427,938	386,017
Communications and marketing	123,428	93,024
Organizational	81,199	108,473
Travel and meetings	60,225	156,133
Amortization	57,729	68,126
Board	53,868	53,542
Programs and services	24,257	87,331
	2,999,136	3,003,479
Culture Days Delivery (Note 6)	175,000	149,919
Creative Kids Operations (Note 6) (Note 9)	72,340	79,487
	247,340	229,406
Total expenses	9,924,287	9,915,408
Excess of revenue over expenses	139,512	161,166

SaskCulture Inc.
Statement of Changes in Net Assets
For the year ended March 31, 2026

	<i>Invested in capital and intangible assets</i>	<i>Unrestricted</i>	2026	2025
Net assets, beginning of year	165,152	1,620,317	1,785,469	1,624,303
(Deficiency) excess of revenue over expenses	(57,729)	197,241	139,512	161,166
Acquisition of capital and intangible assets	74,398	(74,398)	-	-
Net assets, end of year	181,821	1,743,160	1,924,981	1,785,469

The accompanying notes are an integral part of these financial statements

SaskCulture Inc.
Statement of Cash Flows
For the year ended March 31, 2026

	2026	2025
Cash provided by the following activities		
Operating		
Excess of revenue over expenses	139,512	161,166
Amortization - tangible assets	11,172	19,110
Amortization - intangible assets	46,556	89,363
	197,240	269,639
Changes in working capital accounts		
GST receivable	(11,035)	(3,297)
Prepaid expenses and deposits	(82)	-
Accounts payable and accruals	(11,134)	15,468
Due to Sask Lotteries Trust Fund - Operations	6,259	(107,452)
Holdbacks payable	(31,224)	489,127
Deferred revenue	135	-
Due to Sask Lotteries Trust Fund - Programs	161,536	(107,615)
Due to Creative Kids	(5,625)	5,625
	306,070	561,495
Investing		
Purchase of capital assets	(31,766)	(12,603)
Purchase of intangible assets	(42,632)	(56,889)
	(74,398)	(69,492)
Increase in cash resources	231,672	492,003
Cash resources and short-term investments, beginning of year	2,952,369	2,460,366
Cash resources and short-term investments, end of year	3,184,041	2,952,369

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

SaskCulture Inc. (the "Organization") is a non-profit organization, with members from various organizations and individuals who have come together to further the course of culture in Saskatchewan. It works in partnership with Sask Sport Inc. and the Saskatchewan Parks and Recreation Association and manages the Culture Section of Sask Lotteries Trust Fund for Sport, Culture and Recreation. In addition to its own operations, SaskCulture also directly delivers specific funding programs.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of less than one year.

Capital assets and intangible assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Intangible assets are recorded at cost.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Rate
Computer equipment and software	3 years
Office equipment	10 years
Leasehold improvements	6 - 10 years
Intangibles - Database	10 years

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. All other revenue is recognized when earned.

Income taxes

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

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets and intangible assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the periods in which they become known.

Program initiatives

SaskCulture delivers certain funding programs for the cultural community, the majority of which comes from Sask Lotteries Trust Fund for Sport, Culture and Recreation. Any revenue received by SaskCulture relating to these programs is recognized in the year the grant was approved.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Organization recognizes financial instruments when the Organization becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Organization may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Organization has made such an election during the year.

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

All related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

Financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

Financial asset impairment

The Organization assesses impairment of all its financial assets measured at cost or amortized cost. The Organization groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether there are any impairment indicators in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Organization determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

The Organization reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Organization reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

SaskCulture Inc.
Notes to the Financial Statements
For the year ended March 31, 2026

3. Cash and short term investments

SaskCulture's short-term investments are in a business savings account. These investments bear variable interest rates and their returns are based on the success of the fund manager and future interest rates. During the year, the interest rates ranged from 0.25% to 2.95% (2025 - 0.25% to 3.10%).

	2026	2025
Cash	451,103	285,077
Short-term investments	2,732,938	2,667,292
	3,184,041	2,952,369

4. Intangible assets

Intangible assets includes a database used to record program funding and applications that is accessible through the website. Additions of \$42,632 (2025 - \$56,889) were incurred during the year. Amortization of \$46,556 (2025 - \$89,363), related to intangible assets with definite lives, is included in current year earnings.

5. Capital assets

	Cost	Accumulated amortization	2026 Net book value	2025 Net book value
Computer equipment and software	370,053	370,053	-	-
Office equipment	536,950	473,023	63,927	43,334
Leasehold improvements	226,299	226,299	-	-
	1,133,302	1,069,375	63,927	43,334

6. Operations trust grant

	Grants received	Grants recorded as revenue	Grants returned (receivable)	Grants returned (receivable) prior year	Balance, March 31, 2026
Sask Lotteries Trust Fund for Sport, Culture and Recreation					
Operational					
Global Funding	3,170,650	2,999,136	-	-	171,514
Creative Kids Operations	100,000	72,340	-	-	27,660
Culture Days Delivery	175,000	175,000	-	-	-
	3,445,650	3,246,476	-	-	199,174

The Sask Lotteries Trust Fund for Sport, Culture and Recreation policy states that the carryover of unused grant funds is not permitted. As such all grant funds must be used in the fiscal period for which they were approved with any unused portion to be returned to the Trust. As of March 31, 2026, \$199,174 (2025 - \$192,915) of the Trust monies have not been spent and therefore have been recorded as owing to Sask Lotteries Trust Fund for Sport, Culture and Recreation.

7. Pension plan

SaskCulture participates in several multi-employer benefit plans on behalf of its employees. SaskCulture's financial obligation is limited to contributions of 7.50% of gross annual salary for each participating employee. SaskCulture records as pension expense its contributions to the pension plan. The expense recorded in 2026 was \$133,599 (2025 - \$90,104).

SaskCulture Inc.
Notes to the Financial Statements
For the year ended March 31, 2026

8. Program initiatives - grants

	<i>Prior period grants returned</i>	<i>Grants received</i>	<i>Grants recorded as revenue</i>	<i>Balance receivable from SLTF</i>	<i>Balance to be returned to SLTF</i>
Sask Lotteries Trust Fund ("SLTF") for Sport, Culture and Recreation Funded Programs					
Indigenous Arts & Culture Leadership Grant	29,390	350,000	336,956	-	42,434
Artists in Communities	-	305,000	305,000	-	-
Artists in Schools	-	360,000	360,000	-	-
Building Arts Equity	-	160,000	160,000	-	-
Communities of Interest	-	1,212,521	1,120,000	-	92,521
Creative Kids Grant	-	750,000	750,000	-	-
Northern Youth Cultural Fund	-	90,000	88,420	-	1,580
Community Cultural Engagement & Planning	4,223	60,000	53,025	-	11,198
Festivals Grant Program	-	660,000	660,000	-	-
Gallery Grant Program	-	315,000	315,000	-	-
Global Functions	-	70,000	50,000	-	20,000
Media Arts Grant	-	262,500	262,500	-	-
Métis Cultural Development Fund	497	200,000	200,000	-	497
Multicultural Initiatives Fund	15,132	765,000	714,990	-	65,142
Museums Grant Program	8,776	810,000	799,500	-	19,276
Share & Connect Grant	-	170,000	170,000	-	-
SK Arts Program Delivery	-	180,000	180,000	-	-
Special Initiatives Fund	-	81,000	73,299	-	7,701
Small Grant Accessibility Program	546	80,000	79,121	-	1,425
	58,564	6,881,021	6,677,811	-	261,774

Holdbacks payable of \$837,750 (2025 - \$868,974) represents the outstanding balance of grants due to be paid upon receipt of completed follow-up reports from grant recipients.

Communities of interest

	<u>2025</u>	<u>2024</u>
Revenue		
Sask Lotteries Trust Fund for Sport, Culture and Recreation	1,212,521	1,250,000
Expenses		
Gabriel Dumont Institute	40,000	150,000
Heritage Saskatchewan	725,000	725,000
Metis Nation of Saskatchewan	15,000	-
Office of the Treaty Commissioner	15,000	15,000
Saskatchewan Arts Alliance	325,000	320,000
Saskatchewan Indigenous Culture Centre	-	20,000
	<u>1,120,000</u>	<u>1,230,000</u>
	<u>92,521</u>	<u>20,000</u>

9. Related party transactions

SaskCulture Inc. and Creative Kids Canada Inc. (Creative Kids) are related entities as they share the same board of directors. Included in revenue for the current year are grants from Sask Lotteries Trust Fund for Creative Kids Operations in the amount of \$72,340 (2025 - \$79,487). Included in expenses for the current year are \$750,000 (2025 - \$750,000) of grants paid directly to Creative Kids. Included in SaskCulture Inc. there are \$72,340 (2025 - \$79,487) of operating expenses paid on behalf of Creative Kids. The transactions were recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Summary of Related Party Transactions

	<u>2026</u>	<u>2025</u>
Grants received for Creative Kids	\$72,340	\$79,487
Expenditures incurred for Creative Kids Operations	72,340	79,487
Grants received	750,000	750,000

10. Commitments

SaskCulture is committed to a lease agreement with estimated minimum annual payments as follows:

2027	96,373
2028	96,373
2029	96,373
2030	96,373
2031	96,373

11. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

SaskCulture is exposed to interest rate cash flow risk with respect to its short-term investments which are subject to varying interest rates ranging from 0.25% to 2.95% (2025 – 0.25% to 3.10%).

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's exposure to liquidity risk is dependent on the collection of accounts, purchasing commitments and obligations or raising funds to meet commitments and sustain operations.