

SASKCULTURE INC.
ANALYSIS OF SASKCULTURE FINANCIAL CONDITION
FOR THE FISCAL YEAR ENDED MARCH 31, 2021

The SaskCulture Board of Directors met with MNP on May 15, 2021, reviewed and approved the audited financial statements for the fiscal period of April 1, 2020 to March 31, 2021. These statements are attached and will be presented to the SaskCulture membership for approval at the Annual General Meeting on June 18, 2021.

SaskCulture's management is responsible for preparing the financial statements, selecting appropriate accounting policies and methods, and ensuring internal control systems provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained in accordance with Canadian accounting standards for not-for-profit organizations. The financial audit was conducted by the independent auditing firm, MNP, and was conducted in accordance with Canadian generally accepted auditing standards. MNP has rendered their expert opinion that the financial statement present fairly, in all material respects, the financial position of SaskCulture as at March 31, 2021.

Statement of Financial Position, page 1

Total assets are primarily comprised of cash, short-term investments, intangible and capital assets. There is no outstanding **Accounts receivable**. **Intangible assets** include the Online Granting Platform (OGP) and **Capital assets** include computer equipment and software, office equipment, web pages, and leasehold improvements. Total assets are up from last year primarily due to the retention of cash throughout the year. All Trust funds must be spent as allocated by the Board. Therefore, the total due to the Sask Lotteries Trust Fund (Culture Section) for current and prior year grant returns and adjustments is \$707,892. Holdbacks payable are grant funds allocated but not yet paid. They fluctuate year over year depending on the timing of grant payments and receipt of follow-up reports from grant recipients.

Statement of Operations, page 2

Revenue was \$7.0 million, compared to \$7.8 million last year. In addition to grants received from the Sask Lotteries Trust Fund for Sport, Culture and Recreation, SaskCulture received a grant from Cameco Corporation in support of the Creative Kids Northern Cultural Fund. Since SaskCulture continued operations throughout the year uninterrupted, SaskCulture did not apply for any federal Covid-relief funding programs.

Self-generated revenue was derived primarily from membership dues, interest on cash and investment accounts, and Lifecycles books and labs (online). Extremely low bank interest rates meant a decrease in interest revenue of over \$36,000, and with SICC no longer the regional administrator for Canadian Heritage's Indigenous Languages & Culture program there was no revenue generated from the administration of that program in 2020/21.

There were also less expenses incurred. Due in part to the restraints of the COVID-19 pandemic, expenses are down about \$500,000 from last year. Staff working from home offices and virtual meetings with no travel expenses have resulted in less **Administration** expenses. During 2020/21, SaskCulture employed fifteen full-time positions. Dean Kush was appointed the new CEO and two employees were promoted to supervisory positions bringing youth, diversity and fresh perspectives to the management team.

The **Diversity strategy** and **Culture Days** continued to be focused initiatives. New partnerships emerged in 2020/21 including Gabriel Dumont Institute, the Office of the Treaty Commissioner, Listen to Dis, and a renewed relationship with Saskatchewan Indigenous Cultural Centre. An extensive HR policy review was conducted through an IDEA (Inclusion, Diversity, Equity, Accessibility) lens; and staff participated in several virtual workshops including “A Culture of Exploitation: ‘Reconciliation and the Institutions of Canadian Art’” presented by Lindsay Nixon, and the Wicihitowin Indigenous Engagement Conference.

Culture Days Delivery expenses include the marketing and promotion of Culture Days in Saskatchewan and Hub Sponsorships to support communities bring together two or more community organizations to offer COVID-safe, arts and cultural activities. Culture Days in Saskatchewan 2020, now a month-long celebration of culture, took place September 25 to October 24, and encouraged organizers to offer virtual or safe, small group in-person participation. It is estimated that approximately 20,000 people participated in Culture Days in 2020, taking part in one or more of the 160 activities offered by approximately 17 different communities.

Program Initiatives expenses (see Note 9 on page 8) includes funding to six grant programs delivered by SaskCulture, five additional grant programs delivered in partnership with SK Arts, a provincial grant to Creative Kids Canada Inc. (plus support specific to a Dream Broker program fund), support to Communities of Interest in the areas of arts and heritage (see schedule 1 on page 10), support of cultural organizations through Global Functions (see schedule 2 on page 11), and interim support to Dance Saskatchewan Inc.

Cameco Creative Kids Northern Cultural Fund is a program funding initiative of Creative Kids Saskatchewan in partnership with Cameco Corporation. This program aims to provide funding to northern Saskatchewan communities to support cultural and creative activities for children and youth using eligibility criteria similar to Creative Kids’ individual funding, but in a program model. In 2020 (its sixth year), this fund supported an additional four new programs in communities within the Northern District for Sport, Culture and Recreation with a total of \$23,800.

Creative Kids Operations includes all operational expenses required to promote and administer the program, including support to seven community-based volunteer committees located throughout the province, one provincial adjudication committee, and the management of fundraising initiatives and charitable activities. Streamlining of operations has decreased operational expenses over the past couple years by 50%.

Despite the additional challenges of COVID-19, the Creative Kids program continued to support youth and cultural workers in 2020/21 and Trust funds allocated to support Creative Kids operations make it possible for 100% of donations to be dispersed directly to helping kids in our communities. While there were fewer applications during the pandemic, many service providers adapted to health restrictions and continued to provide virtual lessons and small in-class sessions to new and returning students. In 2020, Creative Kids funded 923 kids with over \$445,646. The pandemic also made it very difficult to hold fundraising events so there was a focus on pursuing foundation grants, corporate support and promoting online fundraising initiatives. Still, there was a shortfall of more than \$98,000 in funds and 283 applications from Saskatchewan families were denied support. Creative Kids marked its 10th year anniversary with an astounding milestone, having now funded over 10,000 kids in 238 Saskatchewan communities and granted over \$5 million dollars while supporting 490 cultural workers across the province. (please refer to the 2020 Creative Kids Progress Report for more details on the program's tenth year). These charitable funds are processed through the Creative Kids Canada Inc. charity and are not reflected in SaskCulture's financial statements.

Excess of revenue over expenses realized net income for 2020/21 of \$38,993.

Statement of Changes in Net Assets, page 3

As of March 31, 2021, SaskCulture retained \$334,634 invested in capital and intangible assets. Unrestricted net assets remain at a healthy \$995,569, with total net assets over \$1.33 million.

Statement of Cash Flows, page 4

This chart reconciles cash from the beginning to the end of the year. In 2020/21, there was an overall inflow of cash of \$857,336 increasing cash resources and short-term investments from \$2.1 million to \$3.0 million.

Notes to the Financial Statements and Schedules, pages 5-12

The **Notes to the Financial Statements** are fairly consistent with past years. There have been no changes to accounting policies; Note 5 reconciles the amortization of capital assets; Note 6 breaks down the operational grants from Sask Lotteries Trust Fund; Note 8 confirms that all leasehold inducements have been fully amortized; Note 9 reconciles Trust funds to program allocations and summarizes the amount due back to the Culture Section of the Trust; Note 11 is a charity requirement since Creative Kids Canada Inc. is a related entity that shares the same Board of Directors; and Note 13 is a Significant Event notice that advises there is uncertainty going in to the future due to the COVID-19 pandemic.

The **Schedules** on pages 10-11 provide additional information for the allocation of funding to **Communities of Interest** and **Global Functions**.

In pursuit of its vision of a culturally vibrant Saskatchewan, SaskCulture now has two broad ends – SaskCulture exists so the cultural ecosystem in Saskatchewan is accessible, inclusive and sustainable; and people in Saskatchewan actively value, support and participate in culture. The 2020/21 financial allocations reflect priorities designed to move these Ends forward, ensure

ongoing sustainability through capital management, and focus on initiatives that align with SaskCulture's 2020-2025 Strategic Plan that aspires to have: a funding model that is sustainable and adaptive to changing needs in order to support relevant cultural programming and activities in Saskatchewan; and cultural programs, activities and experiences that are more inclusive, diverse, equitable and accessible.

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