

SASKCULTURE INC.
ANALYSIS OF SASKCULTURE FINANCIAL CONDITION
FOR THE FISCAL YEAR ENDED MARCH 31, 2022

The SaskCulture Board of Directors met with MNP on May 13, 2022 to review and approve the audited financial statements for the fiscal period of April 1, 2021 to March 31, 2022. These statements are attached and will be presented to the SaskCulture membership for approval at the Annual General Meeting on June 17, 2022.

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, 2022.

Statement of Financial Position, page 1

Total assets are primarily comprised of cash, short-term investments, intangible and capital assets. There is small **Accounts receivable** outstanding of \$1,840 which is anticipated to be collected by June 30, 2022. **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 down from last year primarily due to a lower cash balance at the end of the year. There is a significant decrease in year-end **Accounts Payable and Accruals**. Since all Trust funds must be spent as allocated by the Board, the total unused and due to the Sask Lotteries Trust Fund (Culture Section) for current and prior year grant returns and adjustments is \$545,257. 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. Net Revenue for the year has increased **Net Assets** to \$1,361,768.

Statement of Operations, page 2

Total **Revenue** was up about 10% to \$7.7 million, compared to \$7.0 million last year. In addition to grants received from the Sask Lotteries Trust Fund for Sport, Culture and Recreation, SaskCulture received a contribution from the Northern District for Sport, Culture and Recreation to support the Creative Kids Northern Cultural Fund. SaskCulture has not applied for any federal Covid-relief funding programs since operations continued the past two years without interruption.

Self-generated revenue was derived primarily from membership dues, interest on cash and investment accounts, and Lifecycles books and labs (online). Low bank interest rates continued to negatively affect interest revenue.

Overall expenses are up slightly from last year. Continued restraints of the COVID-19 pandemic, affected program delivery the first half of the year. Staff continued to work from home offices keeping office expenses low. Virtual meetings continued for most of the year with in-person travel increasing in the last quarter. SaskCulture's **programs and services** continued to be delivered and its **communications and marketing** continued to share impact stories via multiple channels, increasing awareness and promoting the importance of cultural activity to peoples' lives. During 2021/22, SaskCulture employed sixteen full-time positions.

Culture Days and Creative Kids continue to be focused initiatives and the **Diversity Strategy** continued to engage new partners including Gabriel Dumont Institute, the Office of the Treaty Commissioner, Listen to 'Dis, Saskatchewan Indigenous Cultural Centre, and Métis Nation-Saskatchewan.

Culture Days Delivery expenses include the marketing and promotion of Culture Days in Saskatchewan and Hub Sponsorships, which supported multi-partner cultural activities in 15 different communities. In its 11th year, Culture Days took place from September 24 to October 24, 2021, offering the opportunity for people to experience free, interactive, hands-on cultural activities and learn more about the cultural life in their communities. It is estimated that approximately 35,000 Saskatchewan people participated in Culture Days in 2021, taking part in one or more of the 168 activities offered by 24 different communities. Culture 365, inspired by Culture Days, occurs outside of the Culture Days month-long celebration and provides increased opportunities for cultural experiences throughout the year.

Program Initiatives expenses (see Note 8 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, indigenous, 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. Within the Global Functions pool, a new micro-grant program was piloted by SaskCulture. The Small Grant Accessibility Program aims to provide support to grassroots, unique and innovative cultural initiatives that respond to emergent needs or changes in the cultural sector, and create access and pathway for first-time and under-served applicants. This pilot was a success contributing an additional \$18,000 to the cultural sector, and will be an ongoing new grant program of SaskCulture for 2022/23.

Creative Kids Northern Cultural Fund is a unique program funding initiative that aims to provide cultural/creative funding to northern Saskatchewan communities and support cultural and creative activities for children and youth ages 4 to 19 using criteria similar to Creative Kids individual funding, but in a program model. On April 1, 2021, SaskCulture engaged in a partnership with the Northern Sport, Culture and Recreation District to assist in the promotion, support and delivery of the Creative Kids Northern Cultural Fund which resulted in \$62,412 of funding to Northern children and youth initiatives.

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. Despite the continued challenges of the pandemic, the Creative Kids program continued to support youth and cultural workers in 2021/22 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. In 2021, Creative Kids funded 890 kids with over \$418,346. Fundraising initiatives continued to focus on foundation grants, corporate support and promoting online fundraising initiatives; and one in-person event, Nourish-A Unique Dining Experience, was held in Regina in September 2021. Still, there was a shortfall of nearly \$75,000 in funds and 146 applications from Saskatchewan families were denied support. Since 2010, Creative Kids has funded 11,659 kids in 241 Saskatchewan communities and granted over \$5.38 million dollars while supporting 500 cultural workers across the province. (please refer to the 2021 Creative Kids Progress Report for more details on the program's 11th year). These charitable funds are processed through the Creative Kids Canada Inc. charity and are not reflected in SaskCulture's financial statements.

For 2021/22, SaskCulture's revenue exceeded expenses, realizing **Net Income** of \$31,565.

Statement of Changes in Net Assets, page 3

As of March 31, 2022, SaskCulture retained \$286,579 invested in capital and intangible assets. Unrestricted net assets remain at a healthy \$1,075,189, with total net assets over \$1.36 million.

Statement of Cash Flows, page 4

This chart reconciles cash from the beginning to the end of the year. In 2021/22, there was an overall decrease of cash resources of \$162,529 leaving cash resources and short-term investments at \$2,840,992.

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

The **Notes to the Financial Statements** are 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 9 reconciles Trust funds to program allocations and summarizes the amounts due back to the Culture Section of the Trust; Note 9 advises that deferred revenue of \$75,000 has been held to delivery an arts and culture marketing campaign in 2022/23; and Note 10 is a charity requirement since Creative Kids Canada Inc. is a related entity that shares the same Board of Directors.

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 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

2021/22 financial allocations and spending 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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