

SaskCulture Inc. Annual General Meeting  
June 14, 2019

**ANALYSIS OF SASKCULTURE FINANCIAL CONDITION  
FOR FISCAL YEAR END MARCH 31, 2019**

Enclosed in your AGM package is SaskCulture's Financial Statements for the 12-month period of April 1, 2018 to March 31, 2019. 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 MNP, an independent auditing firm. The audit was conducted in accordance with Canadian generally accepted auditing standards. MNP believes the audit evidence obtained is sufficient and appropriate to provide a basis for their expert opinion that the financial statement present fairly, in all material respects, the financial position of SaskCulture as at March 31, 2019. The SaskCulture Board of Directors met with MNP on May 15, 2019, reviewed and approved the enclosed financial statements, and will present them for approval by the members at the Annual General Meeting on June 14, 2019.

In April 2017, the Canadian Auditing and Assurance Standards Board approved new and revised auditor reporting standards effective for audits of financial statements for periods ending on or after December 15, 2018. For this reason the format of the Independent Auditor's Report looks different than previous years and the auditor's opinion has moved from the end of the auditor's report to the very beginning.

Statement of Financial Position, page 1

**Total assets** are primarily comprised of cash, short-term investments, intangible and capital assets. Accounts receivable is an outstanding invoice for external consulting fees. **Intangible assets** include the Online Granting Platform (OGP) and **Capital assets** include computer equipment and software, office equipment, and leasehold improvements. Total assets are down slightly from last year, but current liabilities are down 43%. 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. All Trust funds must be spent as allocated by the Board. Therefore, the total due to the Saskatchewan Lotteries Trust Fund (Culture Section) for current and prior year grant returns and adjustments is \$117,848. The recording of **lease inducements** is explained in Note 8 on page 7.

Statement of Operations, page 2

**Revenue** was \$8.02 million, compared to \$7.95 million last year. In addition to grants received from the Saskatchewan Lotteries Trust Fund, SaskCulture received a grant from Cameco Corporation in support of the Creative Kids Northern Cultural Fund, and the final grant

installment from Canadian Heritage for the 2017/18 Resilience and Respect: Canada 150 & Beyond project.

**Self-generated** revenue was derived mainly from membership dues, interest on cash and investment accounts, workshops, and a new partnership with Saskatchewan Indigenous Cultural Centre to assist with the administration of Canadian Heritage's Aboriginal Language Initiative (ALI) program. Bank interest rates were double that of last year and ranged from 1.6% to 2% (see Note 3 on Page 6).

**Administration** expenses are up slightly from last year. During 2018/19, SaskCulture employed 1 temporary and 19 full-time positions which increased **Salaries and benefits**. However, overall **Office** administration expenses were held to a minimal increase. Consultants spent more time travelling out to communities across Saskatchewan which increased expenses related to **Travel and Meetings**; and the **Diversity strategy** and **Culture Days** continued to be focused initiatives.

**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 the Saskatchewan Arts Board, a provincial grant to Creative Kids Canada Inc., 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 other Special Initiatives such as Creative Kids programming through Dream Brokers and a Summer Music Camp (see schedule 3 on page 12).

**Cameco Creative Kids Northern Cultural Fund** is a program funding initiative of Creative Kids Saskatchewan funded 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 2018 (its fourth year), this fund supported an additional five new programs in communities within the Northern District for Sport, Culture and Recreation with a total of \$35,000.

**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 and one provincial adjudication jury, and the management of fundraising initiatives and charitable activities.

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 2018, 1,202 Saskatchewan kids received over \$552,850 to partake in art, culture, dance, drama, and music. Despite fundraising efforts in 2018, there was a shortfall of more than \$295,000 resulting in a lack of funding required to support over 600 applications. These charitable funds are processed through the Creative Kids Canada charity and are not reflected in SaskCulture's financial reports. It is important to note that since its inception in 2010, the Creative Kids program has not only provided access to cultural activities for more than 8,500 children, but over \$3.8 million dollars has gone back into Saskatchewan communities in support of service providers

who make a living teaching cultural and creative activities (please refer to the 2018 Creative Kids Progress Report for more details on the program's eighth year).

**Culture Days Delivery** expenses include the marketing and promotion of Culture Days in Saskatchewan. The ninth annual Culture Days weekend took place September 28-30, 2018. Approximately 356 Culture Days activities were held in 43 communities throughout the province, attracting over 34,000 participants.

Under SaskCulture's **Diversity Strategy**, two additional Eligible Cultural Organizations completed organizational diversity plans, increasing the total to 24. SaskCulture supported events such as an UNDRIP education session (Regina), the 2018 Wíchitowin Aboriginal Engagement Conference (Saskatoon), Let's Talk: Navigating Safe Discussions on Racism (Saskatoon), and a National Youth Reconciliation Gathering (Saskatoon). SaskCulture staff participated in a KAIROS Blanket Exercise, and completed all five intercultural training modules delivered by the Multicultural Council of Saskatchewan. In partnership with Sask Sport and SPRA, SaskCulture also supported the Southeast District to engage in diversity planning.

**Canadian Heritage (Canada 150)** was a partnership of the Saskatchewan Arts Board, Gabriel Dumont Institute, Saskatchewan Indigenous Culture Centre, Saskatchewan Aboriginal Writers' Circle Inc., and Buffalo Peoples Arts Institute on a \$400,000 project, through a grant from Canadian Heritage, with a focus on the TRC's Calls to Action and on strengthening relations with Saskatchewan based Indigenous cultural organizations. The project was a huge success. Expenses for the project were primarily reported in 2016/17 and 2017/18. SaskCulture recorded a net loss of \$91,775 in 2016/17 due to expenses incurred prior to any receipt of funds from Canadian Heritage. The final \$12,500 of remaining expenses were paid out in 2018/19.

Excess of revenue over expenses for 2018/19 was \$251,379. This amount represents the final installment from Canadian Heritage for the 2017/18 project, plus unused self-generated revenue.

#### Statement of Changes in Net Assets, page 3

SaskCulture retained \$454,449 invested in capital and intangible assets. Unrestricted net assets remains at a healthy \$759,642, with total net assets exceeding \$1.2 million.

#### Statement of Cash Flows, page 4

This chart reconciles cash from the beginning to the end of the year. In 2018/19, there was an outflow of cash of \$122,652 and an investment in capital and intangible assets of \$82,594. Overall cash resources and short-term investments decreased from \$1.64 million to \$1.43 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 the Trust; Note 9 reconciles Trust funds to actual amounts granted and the amount due back to the Culture Section of the Trust; and Note 11 is a charity requirement since Creative Kids Canada Inc. is a related entity that shares the same Board of Directors.

The **Schedules** on pages 10-12 provide additional information for the allocation of funding to **Communities of Interest, Global Functions** and other **Special Initiatives**.

The SaskCulture Board of Directors allocated resources in the 2018/19 budget against its Ends with 35% to End #1 (A strong, thriving, cohesive cultural community), 30% to End #2 (People of Saskatchewan value and support culture), and 35% to End #3 (People of Saskatchewan are strengthened by cultural diversity). These audited financial statements reflect priorities designed to move these Ends forward, ensure ongoing sustainability through capital management, and focus on initiatives that align with SaskCulture's 2015-2019 Strategic Plan.