

SASKATCHEWAN ARTS ALLIANCE CORPORATION
FINANCIAL STATEMENTS
MAY 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Saskatchewan Arts Alliance Corporation

Qualified Opinion

I have audited the accompanying financial statements of Saskatchewan Arts Alliance Corporation, which comprise the statement of financial position as at May 31, 2024 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 and other explanatory information.

In my opinion, except for the effects, if any, of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Arts Alliance Corporation as at May 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many non-profit organizations, Saskatchewan Arts Alliance Corporation derives part of its revenue from membership fees, donations and other activities, the completeness and classification of which are not susceptible to satisfactory audit verification. Accordingly my verification of these transactions was limited to accounting for the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to the revenues, statement of operations, assets and net assets.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Entity in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

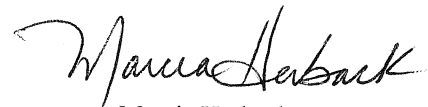
Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Entity'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 Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity 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.

I 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 I identify during my audit.

Regina, Saskatchewan
August 29, 2024



Marcia Herback
CPA, CA

SASKATCHEWAN ARTS ALLIANCE CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MAY 31, 2024
(with comparative figures for 2023)


	2024	2023
ASSETS		
Current assets		
Cash	\$ 232,070	\$ 152,495
Investments	187,334	180,885
Accrued interest receivable	4,672	4,079
GST receivable	646	1,306
Prepaid expenses	<u>508</u>	<u>6,501</u>
	<u>\$ 425,230</u>	<u>\$ 345,266</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 9,384	\$ 18,200
Unearned revenue (Note 6)	<u>216,000</u>	<u>135,020</u>
	<u>225,384</u>	<u>153,220</u>
NET ASSETS		
Internally restricted reserves	160,920	160,920
Unrestricted net assets	<u>38,926</u>	<u>31,126</u>
	<u>199,846</u>	<u>192,046</u>
	<u>\$ 425,230</u>	<u>\$ 345,266</u>

See accompanying notes

Approved on Behalf of the Board



Director



Director

SASKATCHEWAN ARTS ALLIANCE CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MAY 31, 2024
(with comparative figures for 2023)

	2024	2023
Revenue		
Grants (Schedule 1)	\$ 342,000	\$ 332,609
Self-help (Schedule 2)	<u>13,982</u>	<u>12,599</u>
	<u>355,982</u>	<u>345,208</u>
Expenses		
Administration (Schedule 3)	282,935	251,719
Travel & Meetings (Schedule 4)	24,607	15,716
Corporate Business (Schedule 5)	9,193	10,948
Communications (Schedule 6)	8,123	8,515
Programs & Services (Schedule 7)	<u>23,324</u>	<u>53,248</u>
	<u>348,182</u>	<u>340,146</u>
Excess (deficiency) of revenues over expenses	7,800	5,062
Unrestricted net assets, beginning of year	<u>31,126</u>	<u>26,064</u>
Unrestricted net assets, end of year	<u>\$ 38,926</u>	<u>\$ 31,126</u>

See accompanying notes

SASKATCHEWAN ARTS ALLIANCE CORPORATION
STATEMENT OF RESERVES
FOR THE YEAR ENDED MAY 31, 2024
 (with comparative figures for 2023)

2024

	Operating Reserve	Capital Maintenance Reserve	Representation Reserve	Facility Reserve	Projects in Progress Reserve	Arts Congress Reserve	Total 2024	Total 2023
Net Assets								
Balance, beginning of year	\$ 68,713	\$ 2,373	\$ 1,800	\$ 24,000	\$ 61,034	\$ 3,000	\$ 160,920	\$ 160,920
Transfer from net assets	-	-	-	-	-	-	-	-
Transfer to net assets	-	-	-	-	-	-	-	-
Balance, end of year	\$ 68,713	\$ 2,373	\$ 1,800	\$ 24,000	\$ 61,034	\$ 3,000	\$ 160,920	\$ 160,920

See accompanying notes

SASKATCHEWAN ARTS ALLIANCE CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MAY 31, 2024
(with comparative figures for 2023)

	2024	2023
Operating activities		
Excess of revenues over expenses	\$ 7,800	\$ 5,062
Net change in non-cash operating working capital balances		
Investments	(6,449)	(135)
Accrued interest receivable	(593)	(3,788)
GST receivable	660	(185)
Prepaid expenses	5,993	(3,488)
Accounts payable and accrued liabilities	(8,816)	5,761
Grant returns payable	-	(3,269)
Unearned revenue	<u>80,980</u>	<u>2,411</u>
Cash provided by operating activities	<u>79,575</u>	<u>2,369</u>
Increase in cash	79,575	2,369
Cash position, beginning of year	<u>152,495</u>	<u>150,126</u>
Cash position, end of year	<u>\$ 232,070</u>	<u>\$ 152,495</u>

See accompanying notes

SASKATCHEWAN ARTS ALLIANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

1. Status and nature of activities

The Saskatchewan Arts Alliance Corporation acts to ensure the existence and continued growth of the arts and cultural industries in Saskatchewan. The Organization is incorporated under the Non-Profit Corporations Act of Saskatchewan as of March 21, 1986.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue

Grants are recorded as revenue in the fiscal period for which the monies were approved by the funding association. Grants received in advance of the period for which they are to be used are recorded as deferred grant revenue. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership revenue is recognized in the year it relates to. Membership fees received in advance of the membership year to which they relate are recorded as deferred membership fees.

Interest income is recognized when it is earned. All other revenue is recorded in the fiscal period in which it is received.

Tangible capital assets

Tangible capital assets are charged against revenues in the year of purchase.

Financial instruments

The Saskatchewan Arts Alliance Corporation initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, investments and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities.

Management estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions which affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. Reserves

During the 2006 year, the SAA Board of Directors established an operating reserve and moved that \$18,000 be transferred into the reserve. In 2012, the SAA Board of Directors established that the operating reserve be maintained at one third of its operating budget. Additional amounts are added to the operating reserve as required. Similarly, during 2008, a capital maintenance reserve, representation reserve, facility reserve and projects in progress reserve were opened by the SAA Board of Directors. During the 2013 fiscal year, the Board of Directors opened an Art Congress Reserve to spread the costs of the Biennial Event over a two year period.

SASKATCHEWAN ARTS ALLIANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
MAY 31, 2024

4. Financial instruments

The Saskatchewan Arts Alliance Corporation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's exposure and concentrations at May 31, 2024:

Credit risk

Credit risk arises from the potential that a party may default on their financial obligations, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Organization could incur a financial loss. Saskatchewan Arts Alliance Corporation is exposed to credit risk with respect to its cash, investments and accounts receivable. The organization manages its credit risk by placing cash and investments with major financial institutions. Credit risk for accounts receivable is managed by the credit quality and diverse debtor base and creating an allowance for bad debts where applicable.

Liquidity risk

Liquidity risk is the risk that the Organization may not be able to meet a demand for cash or fund its obligations as they come due or not being able to liquidate assets in a timely manner at a reasonable price. Saskatchewan Arts Alliance Corporation is exposed to liquidity risk with respect to its investments and accounts payable and accrued liabilities but manages its liquidity risk by holding assets that can be readily converted into cash.

Interest rate risk

Interest rate risk is a type of market risk that refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates. The Organization is exposed to interest rate risk with respect to its cash and investments and its effect on interest income. Fluctuations in interest rates do not have a significant effect on cash and investments due to the fact that interest income is not a major percentage of total revenue.

5. Grant returns payable

Saskatchewan Arts Alliance Corporation receives annual funding from Sask Culture with the understanding that the funds are to be used for eligible purposes adhering to the policies and guidelines. In the event funds are not used in accordance with the policies and guidelines, they must be returned to Sask Culture. At May 31, 2024 the Organization had \$nil in grant returns to Sask Culture (2023 - \$NIL).

6. Unearned revenue

Deferred revenue consists of externally restricted funds received from Sask Culture funds for 2023\24 in the amount of \$160,000 (2023 - \$135,000), Sask Arts funds for \$56,000 (2023 \$NIL).

7. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

SASKATCHEWAN ARTS ALLIANCE CORPORATION
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2024
(with comparative figures for 2023)

	2024	2023
Grants		Schedule 1
Sask Arts Board	\$ 72,000	\$ 70,000
Sask Culture	270,000	260,000
Other grants	-	2,609
	<u>\$ 342,000</u>	<u>\$ 332,609</u>
Self-help		Schedule 2
Interest	\$ 7,042	\$ 5,519
Donations	3,395	3,915
Memberships	3,545	3,165
	<u>\$ 13,982</u>	<u>\$ 12,599</u>
Administration		Schedule 3
Contract fees	\$ 8,277	\$ 28,021
Office operations		
Equipment	150	3,892
Office supplies	50	368
Printing, postage, photocopying	441	
Rent	12,944	12,761
Software and IT	4,569	2,677
Telephone	2,250	1,948
Salaries and benefits	254,254	202,052
	<u>\$ 282,935</u>	<u>\$ 251,719</u>
Travel & Meetings		Schedule 4
Meetings - AGM	\$ 335	\$ 500
Board honorarium	10,390	4,030
Board retreat	7,266	5,987
Professional development	930	550
Meetings - Interagency	47	147
Staff and board travel	4,351	3,588
Team building	1,288	914
	<u>\$ 24,607</u>	<u>\$ 15,716</u>

SASKATCHEWAN ARTS ALLIANCE CORPORATION
SCHEDULES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 31, 2024
(with comparative figures for 2023)

	2024	2023
Corporate Business		Schedule 5
Insurance	\$ 524	\$ 4,743
Professional fees	6,443	5,371
Memberships	1,736	326
Service charges	490	508
	<u>\$ 9,193</u>	<u>\$ 10,948</u>
Communications		Schedule 6
Advertising	\$ 1,856	\$ 2,168
Website	6,267	6,347
	<u>\$ 8,123</u>	<u>\$ 8,515</u>
Programs & Services		Schedule 7
Arts Congress/Summit	\$ -	\$ 14,339
Community development	8,264	5,390
National Liason	746	4,371
Reference services, research, representation	2,725	11,639
Status of the Artist Website Project		1,000
Strategic initiatives	11,589	16,509
	<u>\$ 23,324</u>	<u>\$ 53,248</u>