

Annual Report 2014/2015

with Audited Statements for
Mar 1, 2014 to Feb 28, 2015 and
Mar 1 to Mar 31, 2015



**SASKATCHEWAN
CRAFT COUNCIL**

40th Anniversary | 1975–2015

Vision

Excellence in Craft

Ends Policy

To foster an environment where excellence in craft is nurtured, recognized and valued, and where Saskatchewan craftspeople flourish creatively and economically.

Mandate

To promote an active and interactive craft community

To facilitate the growth of craft excellence in Saskatchewan

To create awareness and appreciation of the handmade object in the general public

To facilitate professional development of the craftsperson

Reporting Period:

March 1, 2014 to February 28, 2015

March 1 to March 31, 2015

Directors (As of the AGM, June 2014)

Chair

Dale Lowe

Vice-Chair

Cindy Hoppe

Secretary

Joan Hiebert

Audit & Finance Committee, Chair

Kathie Maher-Wolbaum

Representative to Canadian Crafts Federation

David Freeman

Members at Large

Jyoti Haeusler

Elisabeth Miller

Vijay Kachru

Shelley Kaszefski (Resigned Feb 2015)

Arnold Isbister (Resigned October 2014)



**VASES
ARE
PEOPLE
TOO**

Chair's Report

As we celebrate the Anniversary of the 40th year of the Saskatchewan Craft Council I can't help but think of those 57

members that came together in 1975 to create this amazing organization. Those initial members had the foresight to see the need for an association that would represent and promote Fine Craft in Saskatchewan. They should be very proud of their vision and persistence in making the SCC the success that it has become.

I was reminded of that success at the presentation by Tom McFall, the Executive Director of the Alberta Craft Council, when he addressed the opening of the Dimensions competition. He spoke highly of the SCC, its history and the excellent reputation that we have as an organization in the Canadian Fine Craft community. As part of this year's celebration we have been interviewing some of the founding members of the SCC and posting them on our website. We are also participating in Craft Year 2015. This is a celebration of Fine Craft in Canada and is getting national exposure for the work that we create.

This has been a very busy year for the Board and Staff of the SCC. We hired a new Executive Director in July 2014

when Carmen Milenkovic joined our team. Carmen came to us with a background in both business and art. Her experience in the film industry has been a valuable asset and her personal contacts continue to expand every day. After every Board meeting we realize new potential and possibilities for our organization.

The last two years have also been interesting in that we were told by our *Boiler Whisperer*, Terry, that our old boiler was on its last legs and that we would be extremely lucky if it survived one more year. We started working with a mechanical contractor to get some budget numbers on a new system and with *Mr. Charles Olfert of aodbt architecture + design*, to help us through the tangle of building permits and design. As you know we have been on a fund raising campaign for this project and this will continue until we raise the required funds to complete the project. We received a major boost to that campaign with a *City of Saskatoon, Capital Projects Grant* as well as some very generous donations from corporate sponsors. We have been able to leverage those donations with an *artsVest* matching grant. The project will start in June with some renovations and then move to new furnaces and new windows as the summer progresses.

The SCC operational funding support has also changed this year. We are now supported by *Creative Saskatchewan*

whose mandate is to market the Creative Industries on a national and international stage. As we all know, our artists and Fine Craft artisans are world class and this exposure will open many doors. There have been a number of members who have applied and received financial support from *Creative Saskatchewan* to improve their businesses through *Production and Marketing Grants*. These are available to all members and we strongly suggest that you look seriously at accessing those resources to help build your businesses. Member education and professional development are becoming strong pillars in successful organizations and we have had a number of educational opportunities this year. These will continue to expand so if you have questions do not hesitate to call Carmen for advice on those resources.

I strongly believe that there is a realization by the public that there is real value in quality and that we are positioned to be a part of that realization. As we all continue to promote hand made Fine Craft, our members and our organization will benefit. I believe that we can be successful as an organization and as artists, both financially and personally, and I look forward to my membership in this amazing community.

Best Regards,
Dale





Executive Director's Report

Wandering through the booths of **WaterFront** last June and meeting members for the first time, I was struck

by the variety of creative works and the camaraderie among the marketers. That was Day 1 of my involvement with you. My first day on the job was July 4, and I had to write a grant application that was due that day. By Day 30, I was in the midst of **EMMA International Collaboration**. As you well know, there were constant milestones ever since.

I've chatted with many of you, and listened to what makes you excited and anxious. I've heard concern about the impact of Creative Saskatchewan on the direction of the SCC. I want to assure you that Creative Saskatchewan's support in the building of capacity, marketing and sales is significant and helps us to achieve a focus on building your profile and sales beyond our traditional markets. It does not mean that we will abandon the other areas that are important to your success. The continuum of Fine Craft activity—from conceptualization through to creation to exhibition, marketing, selling, the building of reputation, and the development of audience—all of these activities are valued by your Board and Staff. We are building alliances in all parts of our work, and seek to provide you with programming and achievements for which you can feel proud and can assist the development of Fine Craft.

You have a dedicated Board. They are passionate supporters of the SCC's mandate, and are working hard to promote and grow the organization. Dale Lowe—the Board Chair—is leading the charge to renovate this building that I know is so important to you. Without his leadership we would be without heat in the upcoming winter. So when you next see Dale, please thank him and offer some assistance. **If you haven't made a donation yet, please consider a contribution.** To Mar 31, 2015 we've generated \$86,390 but only 8% of that has come from our members.

We've done a lot this year—new website, the international trade missions, SOFA, capacity building, EMMA, assisting with the WoodTurners Symposium, the markets, wholesale program, strategic thinking, contributing to the dialogue among the creative industries and the clients of the Saskatchewan Arts Board. We've helped to sell your art

in Scottsdale, and through our **Fine Craft Boutique**. We're assisting you with professional development and communicating to you and the rest of the world. We've embraced social media, and are helping you with it too. Your staff is fantastic—hardworking, dedicated, loyal and creative. They are proud of your achievements and rally around you daily to ensure that the world knows about you.

I've heard from many of you that Education needs to return as a focus of the SCC. I agree and it will be one of the areas that we begin to tackle in the coming year. In my estimation it is critical not only to your success as artists and craftspeople but to the future of Fine Craft. We need to invest in each other and in young artists, we need to build a thirst for what you create through the establishment of relationships with schools, community and professionals in design and architecture, and foster the desire to collect the work.

All of what we do takes money—a lot of it. I'm committed to keeping your organization accountable for the financial support we receive and to continuing the development of partners and investment so that we can move forward. You will note that we have included a second set of audited statements with this report. We needed to do this to align our year end with the funders. While this was a request of Creative Saskatchewan, it also benefits the SCC easing data collection and comparisons.

We're entering an exciting time—*Citizens of Craft* will be fully launched in the fall of 2015. It's a smart, inventive campaign that will feature Fine Craft front and centre in the Canadian art scene. Its reach is far, already garnering substantial interest in Europe. We're proud to be partners in this movement, and thank Creative Saskatchewan for supporting our involvement.

My vision for the Saskatchewan Craft Council includes opportunities to imagine the future. We have great resources among us, and I want the staff and members to engage with them. Les Potter is one of our treasures, and a wealth of knowledge. I look forward to creating a Salon program with him where we can share insights, history and a way of looking forward, making the SCC a welcoming space for new ways of considering Fine Craft.

Thank you for welcoming me into this organization and for giving me the daily opportunity to witness your creativity.

Carmen Milenkovic, Executive Director



Member Services

Following a review process held early 2014 it was decided to move **WaterFront** to Kiwanis Park North and to a later date, June 28, coinciding with the Saskatchewan Jazz Festival. The location was well received by the marketers and public alike. We partnered with *SaskMusic* to have a series of local musicians play, prompting us to explore further partnerships in the future.

The **Saskatchewan Handcraft Festival**, now in its fourth decade, continues to benefit from support from the *Town of Battleford*, through the use of the Alex Dillabough Centre. The indoor space can accommodate up to 30 booths and it was a full house in 2014. Through a *Tourism Saskatchewan Community Annual Event* sponsorship, live craft demonstrations in fibre and clay were held on the Friday and Saturday of the market in an outdoor tent. While the demonstrations were well received, attendance and average sales took a dip compared to 2013. We will continue to explore ways to promote and add new features to this market.

The **WinterGreen Fine Craft Market**, November 14 – 16, continues to be the SCC's largest market, with over 70 booths, including participants in the **Emerging Artist Market Experience Program**. Attendance was up 10% in 2014 compared to 2013. In 2015, WinterGreen will have its 40th anniversary, with special activities at the market. In response to feedback from marketers and shoppers, it will consolidate entirely

in the lower level of Conexus Arts Centre utilizing the Convention Hall and Jacqui Shumiatcher Room.

The SCC completed the second year of a two year participation in the **Toronto Gift Fair** and **Alberta Gift Fair**, through funding received from a *Creative Saskatchewan Market Export and Development* grant. Six SCC Juried members representing four businesses took part in the wholesale program. Sales have grown with each market, resulting in an application to renew the program and to provide the opportunity to new participants.

Beginning in January 2015, the SCC embarked on a **Social Media for Artists Workshop Series**, thanks to a *Business Capacity Grant* received from *Creative Saskatchewan*. This multi-part series involved a two-day workshop in both Saskatoon and Regina, featuring a lecture on what social media is and how it can be useful to craftspeople, and a hands-on day in a computer lab building social media accounts. The series continues as the SCC liaises with participants to monitor their achievement and challenge them further.

The **annual Jury sessions** were held March 28 & 29 in Saskatoon, with 18 members successfully completing the jury process. A process is currently underway to review and update SCC criteria, as it has been noted that some need revision.

Ferron Olynyk, Member Services Coordinator





Exhibition and Education Report

Kicking off this year's exhibition agenda was **Wearable Art** showcasing the

work of artisans whose garments were featured in the first *Saskatchewan Wearable Art Gala*. This exhibition was very popular and brought into the gallery many new visitors. We participated in the *Saskatchewan Prairie Light Photography Festival* with this exhibition, as all of the garments were shown on the original models via photographs from the Gala.

Where River Meets Sky also attracted many new visitors with works by Aboriginal Artists from the *Mann Art Gallery*, curated by Michel Boutin, and works by SCC Aboriginal Artists, curated by Leslie Potter. This exhibition was held in conjunction with the *Aboriginal Artists Symposium* which took place in Saskatoon.

The Affinity Gallery was pleased to present **Art of the Book 2013**, the sixth, juried, travelling exhibition from the *Canadian Bookbinders and Book Artists Guild* celebrating 30 years. This incredible collection was launched with a **Public Open House and Book Arts Discussion**.

A **Show About Nothing** attracted a record number of visitors to our gallery with a total show attendance of 4,524. A huge opening and beer garden-style reception set the stage for these works created by *Emma International Collaboration 2014* participants and invited guests. This show was curated by Michael Hosaluk.

Mixed media sculptures by Paula Cooley formed this intriguing installation entitled, **Mix** which was curated by Mel Bolen. Ceramic elements, metal and glass were used in different scales, including a large porcelain and steel room divider. This exhibition was on view for an OSAC gathering and tour.

It's A Shoe In, curated by Heather Smith (Moose Jaw Museum & Art Gallery) portrayed sculptural ceramic pieces by *Sask Terra Group*. This funky, fantasy, footwear exhibit delighted all who came to view.

Fine Craft Artists incorporating notions of play into their work were selected by Stephanie Canning for this delightful exhibition, **Imaginary Architects**. A fantasy adventure card game workshop led by one of the artists, Allan Dotson, launched this multi-media experience.

Our Prairie in Fibre, curated by Monika Kinner-Whalen honours prairie women artists working with fibre. This collection ranged from wall art to home goods, sculptural to wearable, as well as a video installation and depicted the stories about dreams and hopes within the context of the landscape.

We produced six artists' talks, and have started documenting them through video production and posting on our website. This service will continue to evolve over the next year.

SCC artists and staff also participated in five off-site exhibitions through the support and assistance of Creative

build an even stronger Saskatchewan presence. In October 2015, Stephanie Canning joined other representatives of the cultural industries to staff and manage two trade expositions—one in London, England and the other in Bilboa, Spain. Stephanie had the opportunity to visit a number of galleries and the Crafts Council (UK), making valuable connections for us to develop. In November 2014, Carmen Milenkovic attended SOFA Chicago, assisting with the Creative Saskatchewan booth that represented Fine Craft & some visual art. Our presence at SOFA drew a lot of attention, and we will repeat our appearance there in November 2015,

SCC Fine Craft Boutique Report

This was a successful year for the **SCC Fine Craft Boutique**. Visitors who signed the guest book came from sixteen countries, twenty-five different states in the USA, all ten Canadian Provinces plus all three territories, as well as seventy-eight distinct Saskatchewan communities. There were 25,805 visitors. Many guests returned commenting on the high calibre of the craftsmanship of the pieces on display and the exceptional talent and creativity of our artists. They liked the look and feel of the Boutique, finding it to be a unique shopping experience and said they would be back.

We ran a summer and winter promotion with Tourism Saskatoon where a \$30 value Experience Pass was offered to participating hotel guests to choose their experience—one choice being to shop in the SCC Fine Craft Boutique.

This brought several visitors to us that otherwise may not have found out about the Boutique, Affinity Gallery and the Saskatchewan Craft Council.

The window box display has been a great marketing feature, as a large number of passersby discovered the Boutique this way. Many purchases were made as a direct result of the beautiful pieces in the window box. Attracting visitors inside is a wonderful way to educate the public to Fine Craft, to introduce them to our artists and to let them know what it is that we do and have done over the past forty years.

Gross sales for the fiscal year March 1, 2014 to February 28, 2015 exceeded our expectations. We sold 1,437 pieces for a

total of \$55,873. The SCC now has a new fiscal year end date of March 31. Fifty two pieces sold during March 2015 for a gross sales total of \$3,753.50.

Currently the Boutique represents 75 Professional Fine Craft Artists, juried in twelve different media—clay, fibre, glass, jewellery, metal, mixed media, origami, photography, printmaking, sculpture, visual art and wood. **Thank you to all the Boutique artists and thank you to my fellow staff members for their assistance.** We look forward to another successful year.

Happy 40th Anniversary Saskatchewan Craft Council.

Donna Potter, Boutique & Administration Coordinator



Saskatchewan. The *Saskatchewan Gallery* in Scottsdale has run two years, with the second year seeing a vast improvement of sales for our members and the gallery in general. SCC's Stephanie Canning attended the first year as an observer and researcher; in March 2015, we sent Maia Stark to Scottsdale for two weeks to assist in the staffing of the operation. We intend to continue our involvement in 2016 and work with *SaskGalleries* to

with SCC taking a larger management role. While staff did not accompany the pop-up gallery in New York, the show carried on from SOFA, expanding to include other cultural industries. All of us learned a lot from each of these initiatives and will continue to assess our involvement as we develop international contacts. **Thank you to Creative Saskatchewan for their continued support in developing these markets.**

*Stephanie Canning & Leslie Potter
Exhibitions & Education Coordinators*

SASKATCHEWAN CRAFT COUNCIL

Financial Statements

February 28, 2015

INDEPENDENT AUDITORS' REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENT OF REVENUE AND EXPENDITURES

STATEMENT OF NET ASSETS

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT 1

STATEMENT 2

STATEMENT 3

STATEMENT 4



SASKATOON

CHARTERED
PROFESSIONAL
ACCOUNTANTS

MANAGEMENT
CONSULTANTS

#4-130 Robin Crescent
Saskatoon, SK
S7L 6M7

Tel: (306) 934-3944
Fax: (306) 934-3409

Email:
eprstoon@eprsk.ca

Website:
http://epr.ca

PARTNERS:

Colin L. Taylor
B.Comm., FCPA, CMA,
FCGA

Brian R. Rugg
BSA, PAg, CPA, CGA

INDEPENDENT AUDITORS' REPORT

**To the Members:
Saskatchewan Craft Council**

We have audited the statement of financial position of Saskatchewan Craft Council as at February 28, 2015 and the statements of revenue and expenditures, net assets and cash flows for the year then ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

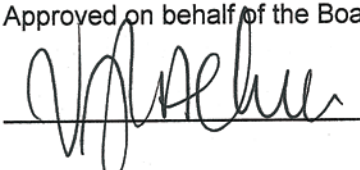

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

**SASKATCHEWAN CRAFT COUNCIL
STATEMENT OF FINANCIAL POSITION
February 28, 2015**

STATEMENT 1

	2015	2014
ASSETS		
Current		
Cash and bank	\$ 79,426	\$ 83,019
Accounts receivable	15,983	7,289
Government agencies recoverable	2,905	1,087
Inventory	14,662	18,757
Prepaid expenses	5,082	13,235
	118,058	123,387
Receivable on the sale of assets - note 2	11,971	21,755
Building construction in progress - note 3	12,158	-
Capital assets - note 4	818,814	825,870
	\$ 961,001	\$ 971,012
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 13,917	\$ 19,465
Gift certificates	1,710	1,580
Accrued wages and vacation payable	13,994	16,656
Deferred revenue - note 6	133,299	138,849
Current portion of long term debt	4,853	4,853
	167,773	181,403
Long-term debt - note 7	134,462	138,967
	302,235	320,370
Net Assets		
Unrestricted net assets	(221,611)	(236,791)
Net assets invested in capital assets	818,814	825,870
Internally restricted	50,000	50,000
Externally restricted	11,563	11,563
	658,766	650,642
	\$ 961,001	\$ 971,012

Approved on behalf of the Board

 Director  Director

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

EPR SASKATOON
EPR Saskatoon CPA Prof. Corp.

An Independent Member Firm of EPR Canada Group Inc. with International Affiliations.

SASKATCHEWAN CRAFT COUNCIL

STATEMENT 2

STATEMENT OF REVENUE AND EXPENDITURES
Year ended February 28, 2015

	2015	2014
Revenue		
Creative Saskatchewan	\$ 334,500	\$ 147,000
Saskatchewan Arts Board	-	147,000
Restricted grants	107,479	92,051
Markets	67,114	70,909
Membership fees	32,966	33,185
Donations	36,606	24,019
Gallery/Boutique commissions (net) - note 9	20,375	14,164
Rental income	12,434	11,154
Exhibitions/Education	36,737	4,975
	648,211	544,457
Expenditures		
Salary Costs	345,797	294,370
Markets	146,247	125,710
Exhibitions/Education	62,270	54,768
Administration	54,202	47,156
Building	40,416	30,004
Amortization	9,217	10,392
	658,149	562,400
	(9,938)	(17,943)
Other revenue (expenditures)		
Emma Wood Conference		
Revenue	125,889	-
Expenditures	(107,827)	-
	18,062	-
	8,124	(17,943)
Income (loss) from subsidiary		
Revenues - Traditions Handcraft Gallery	-	32
Expenses - Traditions Handcraft Gallery	-	(1,592)
	-	(1,560)
Net revenues over expenditures (expenditures over revenues) for the year	\$ 8,124	\$ (19,503)

The accompanying notes are an integral part of these financial statements.

SASKATCHEWAN CRAFT COUNCIL

STATEMENT 3

STATEMENT OF NET ASSETS
Year ended February 28, 2015

	Capital Assets	Internally Restricted	Externally Restricted	Unrestricted	Total 2015	Total 2014
Balance, beginning of year	\$825,870	\$ 50,000	\$11,563	\$(236,791)	\$650,642	\$671,645
Net revenues over expenditures (expenditures over revenues)	-	-	-	8,124	8,124	(19,503)
Amortization	(9,217)	-	-	9,217	-	-
Purchase of capital assets	2,161	-	-	(2,161)	-	-
Withdrawals	-	-	-	-	-	(1,500)
Balance, end of year	\$818,814	\$ 50,000	\$11,563	\$(221,611)	\$658,766	\$650,642

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
Year ended February 28, 2015

	2015	2014
Cash provided by (used in)		
Operations		
Earnings (loss) from operations	\$ 8,124	\$ (19,503)
Items not requiring an outlay of funds		
Amortization	9,217	10,392
	17,341	(9,111)
Changes in non-cash working capital		
Accounts receivable	(8,693)	(5,179)
Inventory	4,095	2,565
Prepaid expenses	8,153	(7,302)
Accounts payable and accrued liabilities	(5,548)	(1,698)
Gift certificates	130	(50)
Accrued wages payable	(2,662)	4,255
Government agencies payable	(1,818)	(382)
Deferred revenue	(5,551)	70,462
Cash provided by operating activities	5,447	53,560
Financing		
Proceeds from long term debt	-	-
Repayment of long term debt	(4,505)	(6,041)
Externally restricted net assets	-	(1,500)
Receivable on the sale of assets	9,784	8,978
Cash provided by financing activities	5,279	1,437
Investments		
Purchase of capital assets	(2,161)	(14,925)
Building construction in progress	(12,158)	-
Cash used in investing activities	(14,319)	(14,925)
Increase (decrease) in cash	(3,593)	40,072
Cash, beginning of year	83,019	42,947
Cash, end of year	\$ 79,426	\$ 83,019

The accompanying notes are an integral part of these financial statements.

SASKATCHEWAN CRAFT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015

Saskatchewan Craft Council ("the Council") was incorporated under the Saskatchewan Non-Profit Corporations Act on January 16, 1976. The mission of the Council is to foster an environment where excellence in craft is nurtured, recognized and valued, and where Saskatchewan craftspeople flourish creatively and economically. Given its not for profit status, the Council is not subject to income taxes.

The Council's wholly owned subsidiary SCC Enterprises Ltd. was dissolved February 28, 2014.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Council are in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with the prior year. Outlined below are those policies considered particularly significant.

Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts if any.

Capital Assets

The Council records its capital assets at cost, which are amortized based on the estimate of the useful life of these assets.

Building	1%	Declining Balance
Computer equipment	30%	Declining Balance
Furniture, fixtures & equipment	20%	Declining Balance
Vehicles	20%	Declining balance

Internally Restricted Net Assets

The Board has designated funds to be used as required in support of the Emma Wood conference.

Externally Restricted Net Assets

The Board has received funds that are to be used specifically for education, career development and rewarding people dedicated to the arts and crafts. The Steck Fund and the Artist's Emergency Fund makes up the externally restricted net assets and these funds had a balance at February 28th, 2015 of \$11,263 and \$300 respectively.

Revenue Recognition

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

SASKATCHEWAN CRAFT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue from fees, contracts and sales of publications is recognized when the services are provided or the goods are sold.

Donated materials and services that would be otherwise paid for by the Council are recorded at their fair market value when received with a corresponding charge to expense.

The value of contributed services are not recognized in the financial statements.

2. RECEIVABLE ON SALE OF ASSETS

The Subsidiary (which has since been dissolved) had entered into an agreement effective January 1, 2012, for the sale of its assets, in which their net proceeds are based upon merchandise sales over the next four years. Based on historical sales, the Subsidiary expected to receive at least \$40,000 under the terms of this agreement. As of February 28, 2015 the total received under this agreement was \$28,029 in commissions.

3. BUILDING CONSTRUCTION IN PROGRESS

The Council has already paid for some costs relative to the installation of the new heating and cooling system. The Council has budgeted the total cost of the project to be \$170,000. With \$110,000 being phase one and \$60,000 being phase two of the project. Phase one is to be completed by October 2015 and phase two to be started once they have raised enough funds. Phase two of the project is not critical if it is not completed. The Council expects to raise all the funds for phase one through City grants, in-kind donations, membership campaigns and corporate & community sponsorship. The Council has raised a total of \$74,490 as of February 28, 2015 towards the project.

4. CAPITAL ASSETS

	2015		2014	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 350,000	\$ -	\$ 350,000	\$ 350,000
Building	477,709	27,843	449,866	454,429
Computer equipment	59,109	56,684	2,425	2,627
Furniture, fixtures & equipment	88,967	76,345	12,621	13,938
Vehicle	12,363	8,461	3,902	4,876
	\$ 988,148	\$ 169,333	\$ 818,814	\$ 825,870

5. BANK INDEBTEDNESS

The Council has a \$50,000 line of credit at a rate of Prime + 2% (February 28, 2015 - 4.85%) that is secured by a mortgage on the Council's building. The line of credit was at a zero balance at February 28, 2015.

6. DEFERRED REVENUE

	2015	2014
Creative Saskatchewan - restricted	\$ 83,951	\$ 74,797
Creative Saskatchewan - operating	31,250	24,500
Membership fees	14,138	15,654
Other	3,960	12,976
Emma Wood Conference	-	10,922
	\$ 133,299	\$ 138,849

SASKATCHEWAN CRAFT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
February 28, 2015

7. LONG-TERM DEBT

	2015	2014
5.63% bank loan due April 2017, at which time the Council will need to negotiate possible renewal terms with the bank, payable in installments of \$1,069 principal plus interest monthly, against which a general security agreement and a collateral mortgage on land and building have been pledged as collateral.	\$ 139,315	\$ 143,820
	139,315	143,820
Less current portion	4,853	4,853
	\$ 134,462	\$ 138,967

The total interest paid on the mortgage loan relating to the repayment of debt from SCC Enterprises last year was \$8,322.

The estimated aggregate amount of principal payments required in each of the next five years on the above indebtedness, assuming the existing terms and conditions will continue through the maturity date, is as follows:

2016	\$ 4,853
2017	\$ 5,134
2018	\$ 5,431
2019	\$ 5,744
2020	\$ 6,076

8. ECONOMIC DEPENDENCE

The Council is dependent for a significant proportion of its revenue on various annual grants and other contributions. The amount of these grants can vary widely from year to year depending on a number of different factors which may or may not be under the control of the Council. Other grants may be directed toward specific activities which would require additional expenditures and may not be available to cover other expenditures of the Council. Readers are cautioned that revenue sources from prior years may not be a good predictor of revenues for the current or future periods.

9. GALLERY/BOUTIQUE COMMISSIONS

	2015	2014
Revenues	\$ 70,603	\$ 51,119
Expenditures	50,228	36,955
Net revenue over expenditures	\$ 20,375	\$ 14,164

SASKATCHEWAN CRAFT COUNCIL

Financial Statements

March 31, 2015

INDEPENDENT AUDITORS' REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENT OF REVENUE AND EXPENDITURES

STATEMENT OF NET ASSETS

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT 1

STATEMENT 2

STATEMENT 3

STATEMENT 4



SASKATOON

CHARTERED
PROFESSIONAL
ACCOUNTANTS

MANAGEMENT
CONSULTANTS

#4-130 Robin Crescent
Saskatoon, SK
S7L 6M7

Tel: (306) 934-3944
Fax: (306) 934-3409

Email:
eprstoon@eprsk.ca

Website:
<http://epr.ca>

PARTNERS:

Colin L. Taylor
B.Comm., FCPA, CMA,
FCGA

Brian R. Rugg
BSA, PAg, CPA, CGA

INDEPENDENT AUDITORS' REPORT

To the Members: Saskatchewan Craft Council

We have audited the statement of financial position of Saskatchewan Craft Council as at March 31, 2015 and the statements of revenue and expenditures, net assets and cash flows for the one month period then ended.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



INDEPENDENT AUDITORS' REPORT (CONT'D)

Basis for Qualified Opinion

In common with many charitable and membership organizations, the Council derives part of its revenues from the general public in the form of various fund raising projects and donations which are not susceptible to complete audit verification. Accordingly, our verification of revenues from these sources was limited to the amounts recorded in the records of the Council, and we were not able to determine whether any adjustments might be necessary to donations and fund raising revenue, assets, liabilities and net assets.

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning fund raising and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Council as at February 28, 2015 and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

**EPR SASKATOON, CGA PROF CORP
CERTIFIED PROFESSIONAL ACCOUNTANTS**

June 1, 2015
Saskatoon, Saskatchewan

EPR SASKATOON
EPR Saskatoon CPA Prof. Corp.

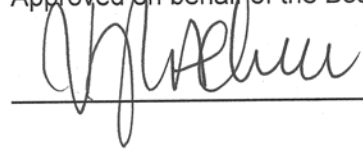
An Independent Member Firm of EPR Canada Group Inc. with International Affiliations.

SASKATCHEWAN CRAFT COUNCIL
STATEMENT OF FINANCIAL POSITION
March 31, 2015

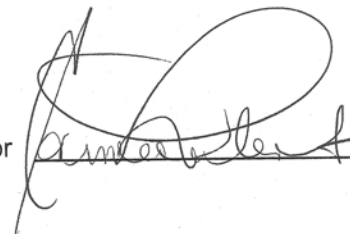
STATEMENT 1

	One Month 2015	Feb 28 2015
ASSETS		
Current		
Cash and bank	\$ 58,575	\$ 79,426
Accounts receivable	14,696	15,983
Government agencies recoverable	2,649	2,905
Inventory	14,594	14,662
Prepaid expenses	4,176	5,082
	94,690	118,058
Receivable on the sale of assets - note 2	11,618	11,971
Building construction in progress - note 3	12,158	12,158
Capital assets - note 4	818,814	818,814
	\$ 937,280	\$ 961,001
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 10,649	\$ 13,917
Gift certificates	1,710	1,710
Accrued wages and vacation payable	15,973	13,994
Deferred revenue - note 6	115,968	133,299
Current portion of long term debt	4,853	4,853
	149,153	167,773
Long-term debt - note 7	134,082	134,462
	283,235	302,235
Net Assets		
Unrestricted net assets	(226,332)	(221,611)
Net assets invested in capital assets	818,814	818,814
Internally restricted	50,000	50,000
Externally restricted	11,563	11,563
	654,045	658,766
	\$ 937,280	\$ 961,001

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN CRAFT COUNCIL

STATEMENT 2

STATEMENT OF REVENUE AND EXPENDITURES
For the one month period March 31, 2015
with comparative figures for the year ending February 28, 2015

	2015	2015
Revenue		
Creative Saskatchewan	\$ 31,250	\$ 334,500
Restricted grants	5,299	107,479
Markets	250	67,114
Membership fees	2,752	32,966
Donations	928	36,606
Gallery/Boutique commissions (net) - note 9	1,532	20,375
Rental income	2,006	12,434
Exhibitions/Education	79	36,737
	44,096	648,211
Expenditures		
Salary Costs	35,055	345,797
Markets	3,069	146,247
Exhibitions/Education	4,954	62,270
Administration	3,262	54,202
Building	2,477	40,416
Amortization	-	9,217
	48,817	658,149
	(4,721)	(9,938)
Other revenue (expenditures)		
Emma Wood Conference		
Revenue	-	125,889
Expenditures	-	(107,827)
	-	18,062
Net (expenditures over revenues) revenues over expenditures for the period	\$ (4,721)	\$ 8,124

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN CRAFT COUNCIL

STATEMENT 3

STATEMENT OF NET ASSETS

For the one month period March 31, 2015
with comparative figures for the year ending February 28, 2015

	Capital Assets	Internally Restricted	Externally Restricted	Unrestricted	Total 2015	Total 2015
Balance, beginning of year	\$818,814	\$ 50,000	\$11,563	\$(221,611)	\$658,766	\$650,642
Net (expenditures over revenues) revenues over expenditures	-	-	-	(4,721)	(4,721)	8,124
Balance, end of year	\$818,814	\$ 50,000	\$11,563	\$(226,332)	\$654,045	\$658,766

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN CRAFT COUNCIL

STATEMENT 4

STATEMENT OF CASH FLOWS

For the one month period March 31, 2015
with comparative figures for the year ending February 28, 2015

	2015	2015
Cash provided by (used in)		
Operations		
Earnings (loss) from operations	\$ (4,721)	\$ 8,124
Items not requiring an outlay of funds		
Amortization	-	9,217
	(4,721)	17,341
Changes in non-cash working capital		
Accounts receivable	1,287	(8,694)
Inventory	68	4,095
Prepaid expenses	905	8,153
Accounts payable and accrued liabilities	(3,269)	(5,547)
Gift certificates	-	130
Accrued wages payable	1,980	(2,662)
Government agencies payable	256	(1,818)
Deferred revenue	(17,331)	(5,551)
Cash (used in) provided by operating activities	(20,825)	5,447
Financing		
Proceeds from long term debt	-	-
Repayment of long term debt	(380)	(4,505)
Externally restricted net assets	-	-
Receivable on the sale of assets	354	9,784
Cash (used in) provided by financing activities	(26)	5,279
Investments		
Purchase of capital assets	-	(2,161)
Building construction in progress	-	(12,158)
Cash used in investing activities	-	(14,319)
Decrease in cash	(20,851)	(3,593)
Cash, beginning of period	79,426	83,019
Cash, end of period	\$ 58,575	\$ 79,426

The accompanying notes are an integral part of these financial statements.

EPR SASKATOON

SASKATCHEWAN CRAFT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

Saskatchewan Craft Council ("the Council") was incorporated under the Saskatchewan Non-Profit Corporations Act on January 16, 1976. The mission of the Council is to foster an environment where excellence in craft is nurtured, recognized and valued, and where Saskatchewan craftspeople flourish creatively and economically. Given its not for profit status, the Council is not subject to income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Council are in accordance with Canadian accounting standards for not-for-profit organizations applied on a basis consistent with the prior year. Outlined below are those policies considered particularly significant.

Accounts Receivable

Accounts receivable are shown net of allowance for doubtful accounts if any.

Capital Assets

The Council records its capital assets at cost, which are amortized based on the estimate of the useful life of these assets.

Building	1%	Declining Balance
Computer equipment	30%	Declining Balance
Furniture, fixtures & equipment	20%	Declining Balance
Vehicles	20%	Declining balance

Internally Restricted Net Assets

The Board has designated funds to be used as required in support of the Emma Wood conference.

Externally Restricted Net Assets

The Board has received funds that are to be used specifically for education, career development and rewarding people dedicated to the arts and crafts. The Steck Fund and the Artist's Emergency Fund makes up the externally restricted net assets and these funds had a balance at February 28th, 2014 of \$11,263 and \$300 respectively.

Revenue Recognition

The Council follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

SASKATCHEWAN CRAFT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue from fees, contracts and sales of publications is recognized when the services are provided or the goods are sold.

Donated materials and services that would be otherwise paid for by the Council are recorded at their fair market value when received with a corresponding charge to expense.

The value of contributed services are not recognized in the financial statements.

2. RECEIVABLE ON SALE OF ASSETS

The Subsidiary (which has since been dissolved) had entered into an agreement effective January 1, 2012, for the sale of its assets, in which their net proceeds are based upon merchandise sales over the next four to five years. Based on historical sales, the Subsidiary expects to receive at least \$40,000 under the terms of this agreement. As of March 31, 2015 the total received under this agreement was \$28,382 in commissions.

3. BUILDING CONSTRUCTION IN PROGRESS

The Council has already paid for some costs relative to the installation of the new heating and cooling system. The Council has budgeted the total cost of the project to be \$170,000. With \$110,000 being phase one and \$60,000 being phase two of the project. Phase one is to be completed by October 2015 and phase two to be started once they have raised enough funds. Phase two of the project is not critical if it is not completed. The Council expects to raise all the funds for phase one through City grants, in-kind donations, membership campaigns and corporate & community sponsorship. The Council has raised a total of \$86,390 as of March 31, 2015 towards the project.

4. CAPITAL ASSETS

	2015			Feb 28 2015
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 350,000	\$ -	\$ 350,000	\$ 350,000
Building	477,709	27,843	449,866	449,866
Computer equipment	59,109	56,684	2,425	2,425
Furniture, fixtures & equipment	88,967	76,345	12,621	12,621
Vehicle	12,363	8,461	3,902	3,902
	\$ 988,148	\$ 169,333	\$ 818,814	\$ 818,814

5. BANK INDEBTEDNESS

The Council has a \$50,000 line of credit at a rate of Prime + 2% (March 31, 2015 - 4.85%) that is secured by a mortgage on the Council's building. The line of credit was at a zero balance at March 31, 2015.

SASKATCHEWAN CRAFT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

6. DEFERRED REVENUE

	2015	Feb 28 2015
Creative Saskatchewan - restricted	\$ 91,152	\$ 83,951
Creative Saskatchewan - operating	-	31,250
Membership fees	18,135	14,138
Other	6,681	3,960
	\$ 115,968	\$ 133,299

7. LONG-TERM DEBT

	2015	Feb 28 2015
5.63% bank loan due April 2017, at which time the Council will need to negotiate possible renewal terms with the bank, payable in installments of \$1,069 principal plus interest monthly, against which a general security agreement and a collateral mortgage on land and building have been pledged as collateral.	\$ 138,935	\$ 139,315
	138,935	139,315
Less current portion	4,853	4,853
	\$ 134,082	\$ 134,462

The total interest paid on the mortgage loan relating to the repayment of debt from SCC Enterprises for the month of March 2015 was \$689.

The estimated aggregate amount of principal payments required in each of the next five years on the above indebtedness, assuming the existing terms and conditions will continue through the maturity date, is as follows:

2016	\$ 4,853
2017	\$ 5,134
2018	\$ 5,431
2019	\$ 5,744
2020	\$ 6,076

8. ECONOMIC DEPENDENCE

The Council is dependent for a significant proportion of its revenue on various annual grants and other contributions. The amount of these grants can vary widely from year to year depending on a number of different factors which may or may not be under the control of the Council. Other grants may be directed toward specific activities which would require additional expenditures and may not be available to cover other expenditures of the Council. Readers are cautioned that revenue sources from prior years may not be a good predictor of revenues for the current or future periods.

SASKATCHEWAN CRAFT COUNCIL
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2015

9. GALLERY/BOUTIQUE COMMISSIONS

	2015	Feb 28 2015
Revenues	\$ 4,166	\$ 70,603
Expenditures	2,634	50,228
Net revenue over expenditures	\$ 1,532	\$ 20,375

10. COMPARATIVE FIGURES

These financial statements have been prepared for the one month period ending March 31, 2015. The Council decided to change its fiscal year end to more closely match the fiscal periods of its major funding agencies. The comparative figures are for the 12 month period ending February 28, 2015.

Major Sponsors

creative
SASKATCHEWAN



Programming and Strategic Development

\$2,500 to \$7,499

Canada

Funded in part by the Government of Canada Summer Jobs Program*

Potash Corp (CollaborationNZ)

Arnfinn Prugger & Lindsay Embree (CollaborationNZ)

SaskCulture

*The opinions and interpretations in this publication are those of the author and do not necessarily reflect those of the Government of Canada.

\$1,000 to \$2,499

Centennial 360 (Dimensions 2015—Saskatoon Exhibition)

Rochon Associated Human Resources Management Consulting Inc.

Anonymous

\$500 to \$999

Jill Johnstone

Up to \$499

Rosemary Peet

Patricia Hodges

Trent Watts

Building Renovation Fund

City of Saskatoon

artsVest-Business for the Arts

\$7,500 to \$9,999

Charles Olfert Professional Services

\$2,500 to \$7,499

Wallace Construction Specialty Services

\$1,000 to \$2,499

David Freeman

Joan & Al Hiebert

Saskatoon Glassworkers Guild

\$500 to \$999

Zach & Iris Hauser

South Saskatchewan Woodturners Guild

Up to \$499

Blackstrap Art Studio Tour

LeeAnn Brown

Annemarie Buchmann-Gerber

Sandra Christensen

Susan Clark

Ron Cooley

Charles & Sharon Eisbrenner

Carrie Fahl

Fractured Glass

Erica Folnovic

Bruce Garman

Judith Gay

Jyoti Haeusler

Cindy Hoppe

Vijay Kachru

Heather Kleiner

Patrick Landine

Dale Lowe

Jeanette Luther

Kathie Maher-Wolbaum

Deb McLeod

Paul Omilon

Vivian Orr

Rodney Peterson

Alison Philips

Susan Robertson

Anita Rocamora

Lesley Sutherland

Judy Wood

**COOKIE
CUTTER
DOESN'T
CUT IT**



SASKATCHEWAN CRAFT COUNCIL



Saskatchewan Craft Council Staff

Executive Director & Financial Management

Carmen Milenkovic (July 2014 –)
Sherry Luther (Resigned June 2014)
Lesley Sutherland, Accounting Coordinator

Boutique & Administration

Donna Potter, Coordinator
Maia Stark (Vacation Replacement)

Communications & Publications

Vivian Orr, Coordinator
Sydney Luther, Assistant (June 2014 –)

Exhibitions & Education

Leslie Potter, Co-Coordinator
Stephanie Canning, Co-Coordinator
Maia Stark, Co-Coordinator
(Leave Replacement, Mar 1, 2015 to April 2016)
Sydney Luther, Gallery Assistant (to March 2015)
Maia Stark, Gallery Assistant (to Feb 2015)
Kaitlyn Froleck, Gallery Assistant (March 2015 –)
Maureen Schimnowsky, Gallery Assistant (March 2015 –)

Member Services

Ferron Olynyk, Coordinator
Kimberly Mergu, Summer Student (May – August 2014)

Artwork and Photography Credits

Earth and Sky Necklace by **Oriol Dancer**
outside and inside covers
Photography: Grant Kernan, AK Photos
unless otherwise indicated

Evidence by **Mel Bolen**
page 1

You'll Know It If You Have Known It by **Deborah Potter**
pages 2 & 3

WaterFront Craft Art Market
page 3
Photography: Vivian Orr, SCC Staff

Last Headlight by **Anita Rocamora**
pages 4 & 5

SCC Fine Craft Boutique
page 5

Saskatchewan Craft Council building facade
page 28





SASKATCHEWAN CRAFT COUNCIL

www.saskcraftcouncil.org