

The Saskatchewan Filmpool Co-operative
Financial Statements
March 31, 2023

Independent Auditor's Report

To the Members of The Saskatchewan Filmpool Co-operative:

Opinion

I have audited the financial statements of The Saskatchewan Filmpool Co-operative (the Organization), which comprise the statement of financial position as at March 31, 2023, and the statement of operations, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Opinion

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 our report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other 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 audit 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

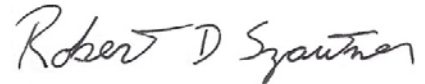
My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 judgement and maintain professional skepticism throughout the audit. I also:

INDEPENDENT AUDITORS' REPORT *(continued)*

- 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 our 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 Organization'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 Organization'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 Organization 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
March 12, 2024



Robert D. Szautner
Chartered Professional Accountant

The Saskatchewan Filmpool Co-operative

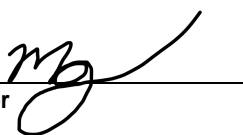
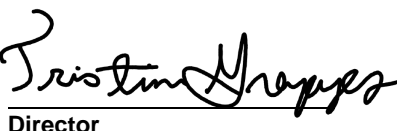
Statement of Financial Position

As at March 31, 2023

	2023	2022
Assets		
Current		
Cash	14,604	84,821
Accounts receivable	99,750	89,200
GST receivable	2,523	2,073
Prepaid expenses	2,684	2,604
	119,561	178,698
Tangible capital assets (Note 4)	124,146	133,424
	243,707	312,122
Liabilities		
Current		
Accounts payable	47,295	27,324
PST payable	2,117	643
Current portion of settlement payable (Note 5)	30,000	-
Deferred contributions	16,804	26,816
	96,216	54,783
Settlement payable (Note 5)	20,000	-
Deferred capital grants (Note 6)	144,797	131,453
	261,013	186,236
Net assets		
Invested in tangible capital assets	(20,651)	1,971
Unrestricted surplus	3,345	123,915
	(17,306)	125,886
	243,707	312,122

Approved on behalf of the Board

Director

Director

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

The Saskatchewan Filmpool Co-operative

Statement of Operations

For the year ended March 31, 2023

	2023	2022
Revenue		
Operating grants		
Canada Council for the Arts	89,200	89,200
Sask Arts Board	102,000	102,000
	191,200	191,200
Project grants		
Canada Council for the Arts – Emergency Funds	-	17,900
Canada Council for the Arts – Sector Innovation	10,407	43,815
City of Regina	12,100	11,675
Independent Media Arts Alliance – Digital Skills for Youth	10,300	-
	32,807	73,390
Self-help (Schedule 1)	13,419	15,825
	237,426	280,415
Expenses		
Administration (Schedule 2)	100,789	80,074
Exhibition, production, technical and programming (Schedule 3)	142,674	164,498
Facility operating (Schedule 4)	41,709	39,143
Marketing and communication (Schedule 5)	46,478	35,806
	331,650	319,521
Deficiency of revenue over expenses before the following:	(94,224)	(39,106)
Other revenue (expenses)		
Amortization of capital grants	16,656	16,983
Amortization of tangible capital assets	(15,624)	(16,187)
Settlement agreement expense (<i>Note 5</i>)	(50,000)	-
	(48,968)	796
Deficiency of revenue over expenses	(143,192)	(38,310)

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

The Saskatchewan Filmpool Co-operative Statement of Changes in Net Assets

For the year ended December 31, 2023

	<i>Invested in tangible capital assets</i>	<i>Unrestricted Surplus</i>	<i>Total 2023</i>	<i>Total 2022</i>
Balance, beginning of year	1,971	123,915	125,886	164,196
Excess (deficiency) of revenues over expenses	1,032	(144,224)	(143,192)	(38,310)
Purchase of tangible capital assets	6,346	(6,346)	-	-
Capital grants received	(30,000)	30,000	-	-
Balance, end of year	(20,651)	3,345	(17,306)	125,886

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

The Saskatchewan Filmpool Co-operative
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating activities		
Deficiency of revenue over expenses	(143,192)	(38,310)
Amortization of deferred capital grants	(16,656)	(16,983)
Amortization of tangible capital assets	15,624	16,187
Net change in non-cash working capital balances		
Accounts receivable	(10,550)	(89,200)
GST receivable	(449)	29
Prepaid expenses	(80)	362
Accounts payable and accrued liabilities	71,444	12,767
Deferred contributions	(10,012)	26,430
	(93,871)	(88,718)
Investing activities		
Additions to tangible capital assets	(6,346)	(26,781)
	(6,346)	(26,781)
Financing activities		
Additions to capital grants	30,000	30,000
	30,000	30,000
(Decrease) in cash resources	(70,217)	(85,499)
Cash resources, beginning of year	84,821	170,320
Cash resources, end of year	14,604	84,821

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

The Saskatchewan Filmpool Co-operative

Notes to the Financial Statements

For the year ended March 31, 2023

1. Nature of operations

The Saskatchewan Filmpool Co-operative (the "Organization") is a not-for-profit organization incorporated under The Co-operatives Act of Saskatchewan. The Organization was formed to promote and assist independent motion picture production by providing related services to its members. The Organization is a registered charity under the Income Tax Act and is not subject to income tax.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations using the following significant accounting policies:

Cash

The Organization's policy is to present bank balances and term deposits with a maturity period of three months or less from the date of acquisition under cash.

Revenue recognition

The Organization 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 to be received can be reasonably estimated and collection is reasonably assured.

Operating grants are recognized in the period to which the funding relates. Membership revenues are recognized in the year the membership relates to. Equipment and space rentals are recognized as revenue when the rental occurs. Revenues from workshops and the Saskatchewan Independent Film Awards are recognized when the event occurs.

Capital assets

Equipment is recorded at cost. The Organization provides for amortization on a straight-line basis over the equipment's estimated useful life of 15 years. Deferred capital grants applicable to the equipment is amortized over 15 years and recognized as revenue as the amortization expense is recorded.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

The Organization measures its financial assets and financial liabilities at fair value. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in the statement of operations. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

Financial assets and liabilities measured at amortized cost include accounts receivable and accounts payable.

3. Line of credit

The Organization has a Conexus Credit Union revolving line of credit in the amount of \$5,000 bearing interest at prime plus 10.70% and secured by a general security agreement. The amount outstanding at the end of the year was \$nil (2022 - \$nil).

The Saskatchewan Filmpool Co-operative

Notes to the Financial Statements

For the year ended March 31, 2023

4. Tangible capital assets

	<i>Cost</i>	<i>Accumulated Amortization</i>	<i>Net book value 2023</i>	<i>Net book value 2022</i>
Camera equipment	128,257	115,135	13,122	8,770
Office equipment	2,724	2,724	-	-
Sound equipment	53,486	50,443	3,043	3,713
Production equipment	388,003	280,022	107,981	120,941
	572,470	448,324	124,146	133,424

5. Settlement agreement

Subsequent to year-end, the Organization signed a settlement agreement related to an outstanding claim from a prior year and has agreed to pay \$50,000 to the complainant as follows:

September 2023	\$20,000
January 2024	\$10,000
January 2025	\$10,000
January 2026	\$10,000

6. Deferred capital grants

	2023	2022
Balance, beginning of year	131,453	118,436
Additions during the year:		
Canada Council for the Arts	30,000	30,000
Amount recognized as revenue	(16,656)	(16,983)
Balance, end of year	144,797	131,453

7. Lease commitments

The Organization leases premises and equipment under agreements requiring future payments as follows:

	<u>Premises</u>	<u>Equipment</u>
2024	\$20,732	\$2,040

8. Economic dependence

The Organization receives the majority of its revenue through funding agreements with two government agencies. The Organization's ability to continue as a going concern is dependent on maintaining these funding agreements.

The Saskatchewan Filmpool Co-operative

Notes to the Financial Statements

For the year ended March 31, 2023

9. Financial instruments

The Organization is exposed to various risks through its financial instruments. The following analysis provides information about the Organization's risk exposure and concentration. There have been no significant changes in the nature or concentration of the risk exposures from the prior year, unless otherwise noted.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk on the accounts receivable from its customers and members, however, does not have a significant exposure to any individual customer or member.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages its liquidity risk by forecasting its cash needs on a regular basis and seeking additional information based on those forecasts.

10. Comparative figures

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

The Saskatchewan Filmpool Co-operative

Schedule 1 – Self Help

For the year ended March 31, 2023

	2023	2022
Internal		
Memberships	3,755	4,793
Rentals	5,442	7,338
Workshops & seminars	-	254
	9,197	12,385
External		
Donations	-	40
Sponsorships	4,222	3,400
	4,222	3,440
	13,419	15,825

The Saskatchewan Filmpool Co-operative

Schedule 2 – Administration

For the year ended March 31, 2023

	2023	2022
Accounting fees	4,080	3,521
Courier and postage	435	549
Interest and bank charges	602	460
Insurance	7,899	7,341
Miscellaneous	118	1,455
Office equipment and supplies	4,721	2,335
Office supplies	338	738
Membership fees	1,500	596
Printing	-	275
Professional fees	19,306	9,421
Staff and board development	5,752	1,266
Salaries and benefits	56,038	52,117
	100,789	80,074

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

The Saskatchewan Filmpool Co-operative
Schedule 3 – Exhibition, production, technical and programming

For the year ended March 31, 2023

	2023	2022
Film presentation		
Honoraria to film makers	2,085	2,119
Publicity and promotional	125	477
Salaries and benefits	35,496	37,294
Saskatchewan Independent Film Awards	4,925	7,219
	42,631	47,109
Film production		
Equipment and repairs	11,033	8,946
Funding	16,750	10,200
Jury fees	1,500	1,158
Other expenses	-	1,072
Salaries and benefits	37,786	43,507
Supplies	11	688
	67,080	65,571
Workshops		
Film camp	-	556
Sector Innovation – Colour Reversal	10,407	43,815
Workshops and seminars	22,556	7,447
	32,963	51,818
	142,674	164,498

The Saskatchewan Filmpool Co-operative
Schedule 4 – Facility operating

For the year ended March 31, 2023

	2023	2022
Maintenance	350	12
Rent	34,088	32,603
Utilities	7,271	6,528
	41,709	39,143

The Saskatchewan Filmpool Co-operative
Schedule 5 – Marketing and communications

For the year ended March 31, 2023

	2023	2022
Advertising and printing	3,574	3,300
Internet and website	2,545	2,822
Salaries and benefits	40,359	29,684
	46,478	35,806

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