



ANNUAL REPORT

2022-2023

CONNECTING **SASKATCHEWAN** BUSINESS WITH THE WORLD.

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Photo courtesy of Norseman Structures

VISION

Prosperity through trade..

MISSION

To work in partnership with Saskatchewan exporters and emerging exporters to enable commercial success.

LONG TERM GOALS

EXPORT GROWTH

Help STEP members achieve significant increases in export volumes and value-added exports in markets that offer the highest growth potential.

MEMBERSHIP DEVELOPMENT

Increase STEP members' capability and capacity to succeed in export markets by providing customized export business solutions.

LEADERSHIP & ENGAGEMENT

Facilitate, develop and promote the export ecosystem.

AS AN EMPLOYER OF CHOICE

Attract, retain and develop a highly skilled and motivated team. Build a culture that empowers staff, encourages innovation and drives excellence through continuous improvement.

CORPORATE PERFORMANCE & SUSTAINABILITY

Grow a dynamic, entrepreneurial organization that consistently achieves fiscal sustainability and operational effectiveness.



CORE VALUES

THINK GLOBAL

We think outside the province. We embrace the world as our marketplace.

ACT WITH INTEGRITY

We are collaborative. We are professional. We protect the integrity of our colleagues, members, and our partnership.

FOCUS ON MEMBERS

We understand that it's business that creates exports. Support the exporter and all else will follow.

LOOK FOR SOLUTIONS

We are innovative, pro-active, and provide customized services that solve export challenges and create opportunities.

BE LIKE BUSINESS

We approach our work with an entrepreneurial mindset – independent and agile.

MESSAGE FROM THE CHAIR OF THE BOARD

As a champion for the exporting community in Saskatchewan, STEP continues to be a strong strategic leader, helping shape the provincial trade landscape. Serving a dynamic membership base across all sectors of business, our member-first focus allows us to customize services and programs in a pro-active manner, solving export challenges and creating new opportunities for Saskatchewan companies.

The past year's successes of both STEP and its members exhibit the strength of our service delivery model. We follow high standards of good governance, maintaining an essential foundation for strong performance. The strategic mindsets of the board of directors, management and staff are reinforced by clear communication and demonstrated outcomes.

During a challenging yet effective year, the STEP Board of Directors successfully navigated our strong corporate governance system, including policies, procedures, internal controls and risk management measures to ensure confidence from our stakeholders and members. Working collaboratively with our government partners and our President & CEO, this last year's governance environment fostered thorough debate and dialogue, active engagement with all board members and exceptionally sound governance practices.

We express immense gratitude to the Province of Saskatchewan for recognizing the impact our member's export activities have on the province's economic position and continuing to allocate resources which better equip us to service STEP members. Exporters will continue to encounter challenges over the coming year, making our collaborative programs even more essential to their global success. STEP's reputation for integrity, entrepreneurial mindset, commitment and the proven abilities of our board of directors, staff and members positions us to respond to these challenges.

A sincere thank you to those we are privileged to serve for your continued confidence and support of STEP.

Marlin Stangeland, Board Chair
Saskatchewan Trade and Export Partnership (STEP)

"The past year's successes of both STEP and its members exhibit the strength of our service delivery model."



The ripple effects of the pandemic, unsteady geopolitical environments, and regional conflict continue to impact international business at every link in the chain, demonstrating just how integral the promotion of Saskatchewan exports is to the wellbeing of our province.

Despite the concerns surrounding these issues, total Saskatchewan exports reached a record-breaking \$52.6 billion in 2022, growing by 41.7 per cent from 2021. STEP's Annual State of Trade Report demonstrates the effective collaboration between exporters and the province, achieving higher export

prosperity than ever — Saskatchewan goods reached 163 countries last year.

STEP has strengthened our comprehensive set of services and programs, returning to in-person seminars, programs, and trade missions this past year, helping exporters generate 4,947 qualified leads and 1,056 deals in market — a significant increase over the 2021-22 year. This activity created over \$482 million in GDP impact for the provincial economy. Completion of STEP's Market Re-engagement Program (MRP) on March 31, 2023, also successfully supported 26 members with funding for trade missions in existing markets, re-establishing connections post pandemic.

As exporters adjust their lines of connection, reaching new markets including those within the western hemisphere (friend-shoring), STEP continues to evolve our current programs and develop new programs to support networks with international stakeholders and investors.

STEP members now have access to the new Sustainability Promotion Program (SPP), providing funding for Saskatchewan businesses to attend trade shows and missions with a sustainability focus, and the ESG Strategy Support Program, providing funding to engage an ESG consultant in carrying out initiatives such as undertaking a baseline assessment and creating a strategy or program with built-in reporting.

Thank you to our funding partners, the Province of Saskatchewan, as well as STEP's Board of Directors, management and staff, as well as our membership base for another successful year of collaboration. In a setting of uncertainty and change, your dedication and hard work has proven significant and successful. STEP is committed to continual and measurable export prosperity.



Chris Dekker, President & CEO
Saskatchewan Trade and Export Partnership (STEP)

EXPORT GROWTH

Help support STEP Members achieve significant increases in export volumes and value-added exports in markets that offer the highest growth potential.

Initiative/Measurable	Target	Result
Qualified Trade Leads	4,216	4,947
Deals in Markets	450	1,056
Market Intelligence Reports	300	305
Market Intelligence Leads	14,000	12,908
Participants - Incoming Trade Mission	291	243
Participants - Outgoing Trade Mission	199	170

MEMBERSHIP DEVELOPMENT

Increase STEP member's capability and capacity to succeed in export markets by providing customized export solutions.

Initiative/Measurable	Target	Result
Membership Attraction	418	380
Membership Retention - Regular Only	85%	91%
Membership Satisfaction - Regular Only	85%	89%

LEADERSHIP & ENGAGEMENT

Initiative/Measurable	Target	Result
Media Hits	25	11
Speaking Engagements	30	41
Seminars	16	23
Participants in Exporter Education	400	557

CORPORATE PERFORMANCE & SUSTAINABILITY

Attract, retain and develop a highly skilled and motivated team. Build a culture that empowers staff, encourages innovation and drives excellence through continuous improvement.

Initiative/Measurable	Target	Result
Employee Satisfaction	90%	83%
Fiscal Responsibility	100%	100%



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KPMG LLP
Hill Centre Tower II
1881 Scarth Street, 20th Floor
Regina Saskatchewan S4P 4K9
Canada
Telephone (306) 791-1200
Fax (306) 757-4703

INDEPENDENT AUDITOR'S REPORT

To the Members of the Saskatchewan Trade and Export Partnership Inc.

Opinion

We have audited the financial statements of Saskatchewan Trade and Export Partnership Inc. ("the Entity"), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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

Our 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 our 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We 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 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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.
- 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 we identify during our audit.

Regina, Canada
June 16, 2023

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

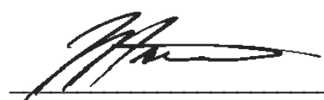
Statement of Financial Position

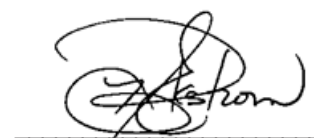
As at March 31

	2023	2022
Assets		
Current assets:		
Cash (note 4)	\$ 3,825,377	\$ 3,204,652
GST receivable	-	497
Accounts receivable	63,185	142,049
Prepaid expenses	449,580	233,070
	4,338,142	3,580,268
Prepaid event deposits	18,390	346,927
Property and equipment (note 5)	42,035	56,604
	\$ 4,398,567	\$ 3,983,799
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 156,406	\$ 163,234
Deferred event revenue	475,345	126,731
Deferred membership fees	188,700	177,420
Deferred contract fees	11,609	11,609
	832,060	478,994
Deferred event revenue	-	336,456
Net assets:		
Invested in property and equipment (note 6)	42,035	56,604
Unrestricted	3,524,472	3,111,745
	3,566,507	3,168,349
Commitments (note 7)		
	\$ 4,398,567	\$ 3,983,799

See accompanying notes to financial statements.

On behalf of the Board:

 Director

 Director

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Statement of Operations and Net Assets

Year ended March 31, 2023 with comparative information for 2022

	2023	2022
Revenue:		
Grant from the Government of Saskatchewan	\$ 3,743,000	\$ 3,268,000
Saskatchewan Ministry of Agriculture – exporter capacity program	112,732	98,559
Interest	97,038	13,884
Memberships	390,053	244,843
Other	76,573	72,068
Trade mission expenses recovered from participants and sponsors	465,102	475,914
Trade revenue	50,679	80,000
	4,935,177	4,253,268
Expenses:		
Advertising, promotion and communications	77,394	67,194
Amortization	25,132	31,366
Bank charges and interest	9,342	6,768
Equipment rental	9,268	6,175
Exporter capacity program	112,732	66,166
General contractual services	39,910	15,540
Goods and services tax	24,648	19,995
Information technology	83,349	69,310
Insurance	27,837	24,389
Legal and audit	19,847	22,293
Market access program (note 8)	349,857	164,768
Meetings and conferences	9,572	5,468
Memberships and subscriptions	90,637	80,512
Office rental	386,534	405,004
Office supplies	10,728	8,277
Postage and courier	3,699	4,506
Recruitment	201	-
Salaries and benefits	2,292,593	2,136,480
Seminar expenses	46,536	15,870
Sponsorships	35,841	22,746
Strategic incoming buyers program	50,819	-
Telephone and fax	17,833	18,359
Training courses	6,327	2,840
Travel and trade mission expenses	806,383	579,641
	4,537,019	3,773,667
Excess of revenue over expenses	398,158	479,601
Net assets, beginning of year	3,168,349	2,688,748
Net assets, end of year	\$ 3,566,507	\$ 3,168,349

See accompanying notes to financial statements.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Statement of Cash Flows

Year ended March 31, 2023 with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 398,158	\$ 479,601
Item not affecting cash:		
Amortization	25,132	31,366
Changes in non-cash operating working capital		
GST receivable	497	(361)
Accounts receivable	78,864	(89,292)
Prepaid expenses and deposits	(216,510)	282,581
Accounts payable and accrued liabilities	(6,828)	6,054
Deferred event revenue	348,614	(286,801)
Deferred membership fees	11,280	72,688
Deferred revenue – exporter capacity project	-	(32,393)
	<u>639,207</u>	<u>463,443</u>
Financing activity:		
Decrease (increase) in deferred event revenue	(336,456)	150,111
	<u>(336,456)</u>	<u>150,111</u>
Investing activities:		
(Decrease) increase in prepaid event deposits	328,537	(160,582)
Purchase of property and equipment	(10,563)	(3,747)
	<u>317,974</u>	<u>(164,329)</u>
Increase in cash	620,725	449,225
Cash, beginning of year	3,204,652	2,755,427
Cash, end of year	<u>\$ 3,825,377</u>	<u>\$ 3,204,652</u>

See accompanying notes to financial statements.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements

March 31, 2023

1. Nature of operations:

The Saskatchewan Trade and Export Partnership Inc. (the "Corporation") is incorporated under the *Non-Profit Corporations Act of Saskatchewan* and its primary purpose is to provide trade development services to its members and clients including services designed to enhance the trade and export of goods, services and technology to or from Saskatchewan.

Pursuant to a funding agreement, the Corporation currently receives a grant from the Government of Saskatchewan to finance the development and co-ordination of the trade development services referred to above. As a result, the Corporation is dependent upon the continuance of these grants to maintain operations at their current level.

Upon dissolution of the Corporation, any assets of the Corporation will revert to another non-profit corporation with similar objectives or to the Government of Saskatchewan.

2. Basis of preparation:

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations outlined in Part III of the CPA Handbook.

3. Significant accounting policies:

(a) Financial assets and liabilities

Financial instruments are recorded at fair value on initial recognition. Subsequently they are recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Corporation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Corporation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount that the Corporation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2023

2. Significant accounting policies (continued):

(b) Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method over their estimated useful lives as follows:

Asset	Useful life
Computer equipment	3 years
Office furniture and equipment	5 years
Leasehold improvements	5 – 7 years

(c) Income taxes

The Corporation is incorporated under the *Non-Profit Corporations Act of Saskatchewan*. Under present legislation, no income taxes are payable on reported income of such organizations.

(d) Revenue recognition

Grants, memberships and other receipts are taken into revenue in the period to which they relate and the service provided under a contractual relationship. Funding intended to reimburse the Corporation for expenses incurred are deferred and recognized as revenue in the same period as the related expenses.

(e) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Revenue and expenses are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in operations.

(f) Use of estimates

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 revenue and expenses during the period. Actual results could differ from those estimates.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2023

4. Cash:

The Corporation's Canadian dollar bank accounts pay interest at Canadian prime minus 2%. The Corporation's U.S. dollar bank accounts pay interest at New York prime minus 3.5%.

5. Property and equipment:

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 723,983	\$ 713,549	\$ 10,434	\$ 8,714
Office furniture and equipment	153,568	152,163	1,405	1,208
Leasehold improvements	82,720	52,524	30,196	46,682
	\$ 960,271	\$ 918,236	\$ 42,035	\$ 56,604

6. Invested in property and equipment:

	2023	2022
Balance, beginning of year	\$ 56,604	\$ 84,223
Purchase of property and equipment	10,563	3,747
Amortization of property and equipment	(25,132)	(31,366)
Balance, end of year	\$ 42,035	\$ 56,604

7. Commitments:

The Corporation is committed under leases for office space in Saskatoon and Regina over the next four years with payments as follows:

2024	\$ 374,616
2025	361,935
2026	280,481
2027	163,614

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2023

8. Market Access Program:

During the 2022 – 2023 fiscal year the Corporation continued to operate the Market Access Program intended to support domestic and international markets. This program is anticipated to continue for the foreseeable future.

9. Risk management:

Exposure to credit risk, interest rate risk and liquidity risk arise in the normal course of the Corporation's business. There has been no change to the risk exposures from the prior year.

Credit risk

The Corporation's principal financial assets are cash and accounts receivable. The carrying amounts of financial assets in the statement of financial position represent the Corporation's maximum credit exposure at the statement of financial position date.

The Corporation's credit risk is primarily attributable to cash and accounts receivable. The amounts disclosed in the statement of financial position are net of allowance for doubtful accounts, estimated based on previous experience and an assessment of the current economic environment. The Corporation does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies.

Interest rate risk

The Corporation is exposed to interest rate risk on its cash balances.

Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Corporation manages its liquidity risk by monitoring its operating requirements. The Corporation prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

STEP BOARD OF DIRECTORS

(As of March 31, 2023)

BOARD CHAIR

Marlin Stangeland, CEO
Shercom Industries Inc.
Saskatoon, Saskatchewan

BOARD VICE-CHAIR

Karri Howlett, President
Karri Howlett Consulting Inc.
Saskatoon, Saskatchewan

CHAIR - AUDIT & FINANCE COMMITTEE

Rhonda Ekstrom, Executive
Rhonda Ekstrom
Regina, Saskatchewan

CHAIR - HUMAN RESOURCES & COMPENSATION COMMITTEE

Scott Sawatsky, Vice President of Sales & Marketing
Crestline Coach Ltd.
Saskatoon, Saskatchewan

CHAIR - GOVERNANCE & NOMINATIONS COMMITTEE

Kristy Ehman, CEO
Hyon Software Inc.
Deer Valley, Saskatchewan

BOARD MEMBERS

Lisa Aitken, Director, Marketing
Cameco Corporation
Saskatoon, Saskatchewan

Greg Cruson, General Manager
Dutch Industries Ltd.
Pilot Butte, Saskatchewan

Mike Popowich, Vice President
TA Foods Ltd.
Yorkton, Saskatchewan

GOVERNMENT OF SASKATCHEWAN APPOINTMENTS

Rick Burton, Deputy Minister
Saskatchewan Ministry of Agriculture
Regina, Saskatchewan

Jodi Banks, Deputy Minister
Saskatchewan Ministry of Trade and Export Development
Regina, Saskatchewan

Richelle Bourgoin, Assistant Deputy Minister,
International Engagement
Saskatchewan Ministry of Trade and Export Development
Regina, Saskatchewan

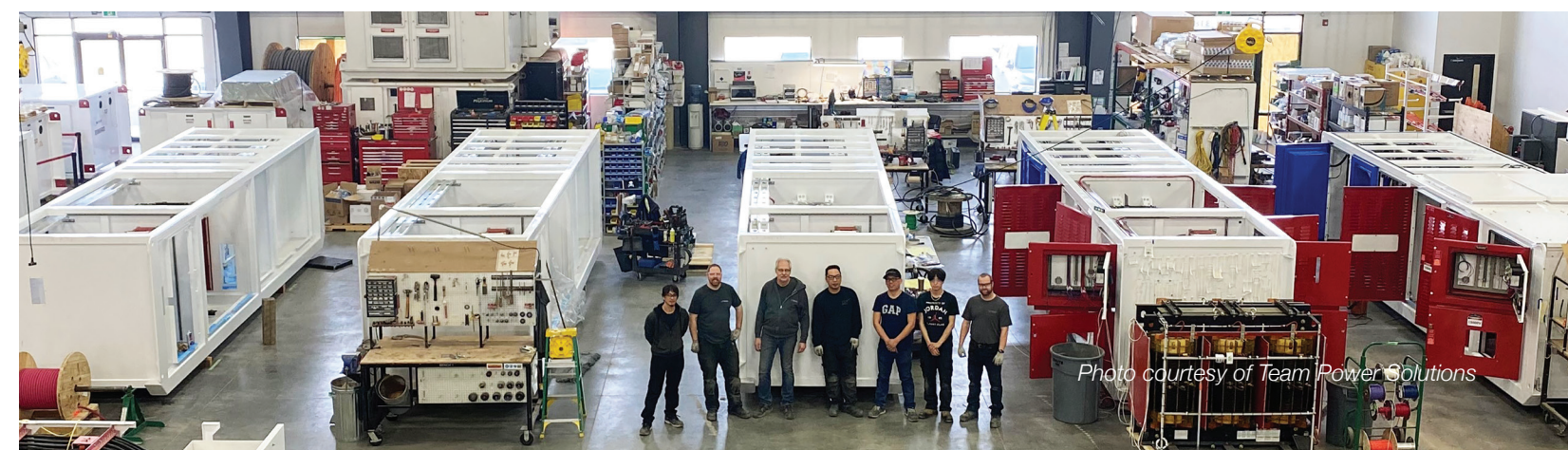


Photo courtesy of Team Power Solutions

STEP STAFF

(As of March 31, 2023)

CORPORATE SERVICES

Chris Dekker
President & CEO

Pamela Bartoszewski
Chief Financial Officer

Nicole Grande
Executive Coordinator

MARKETING & MEMBERSHIP DEVELOPMENT

Angela Krauss
Vice President, Marketing & Membership Development

Katya Tomlinson
Communications Specialist

Sara Beckel
Membership Coordinator

Nakita Williams
Senior Administrative Coordinator

TRADE DEVELOPMENT

Brad Michnik
Senior Vice President, Trade Development

Roy Hawat
Senior Director, Agriculture & Agri-value

Jay Albers
Trade Specialist, Agri-value

Yi Zeng
Senior Director, Asia

Jeff Cooper
Senior Director, Manufacturing & Technology

Ryan Niemela
Director, Manufacturing & Technology

Peter Siarkos
Trade Specialist, Manufacturing & Technology

Jeff Thackeray
Senior Director, Market Intelligence

Réka Gajári
Senior Market Intelligence Specialist

Doug O'Brien
Senior Market Intelligence Specialist

Janice Lawless
Market Intelligence Specialist

Brittany Giesbrecht
Senior Administrative Coordinator



www.sasktrade.sk.ca | Saskatchewan  Canada

STEP - Regina Office

#320 - 1801 Hamilton Street
Regina, Saskatchewan
Canada S4P 3C6
Telephone: 306 787 9210

STEP - Saskatoon Office

#400 - 402 21st Street East
Saskatoon, Saskatchewan
Canada S7K 0C3
Telephone: 306 933 6551

inquire@sasktrade.sk.ca
Saskatchewan Exports Information:
1 888 XPORTSK (976 7875)



Photo courtesy of Three Foragers Bee Co

