

## SASKATCHEWAN TRADE & EXPORT PARTNERSHIP

# ANNUAL REPORT

2023 - 2024

CONNECTING SASKATCHEWAN BUSINESS WITH THE WORLD

Photo courtesy of STEP Member, Prairie Agriculture Machinery Institute (PAMI)



## VISION

Prosperity through trade.

## MISSION

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



STEP | 2023 - 2024

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## **CORE VALUES**

## FOCUS ON MEMBERS

**03.** FOCUS ON IVIE IVIDE TO We understand that it's business that creates exports. Support the exporter and all else will follow.

- **01.** THINK GLOBAL We think outside the province. We embrace the world as our marketplace.
- **02.** ACT WITH INTEGRITY We are collaborative. We are professional. We protect the integrity of our colleagues, members, and our partnership.

## LOOK FOR SOLUTIONS

**04.** LOOK FOR SOLUTIONS We are innovative, pro-active, and provide customized services that solve export challenges and create opportunities.

**05.** BE LIKE BUSINESS We approach our work with an entrepreneurial mindset – independent and agile.



## **MESSAGE FROM THE BOARD CHAIR**

Saskatchewan's prosperous export community is built on the foundational values of perseverance and ingenuity. As a steadfast advocate for Saskatchewan's export community, STEP remains a pivotal strategic leader of this network, actively guiding our province's export activities.

With a diverse membership spanning all sectors of business, STEP's member-first approach enables us to tailor services and programs proactively, addressing export challenges and unlocking new opportunities for Saskatchewan businesses. This past year, the addition of sustainability programs provided funding to build sustainable strategies, allowing STEP Members to tell their unique stories and showcase their capacity to lead in sustainable growth on the world stage.

The significant expansion of Saskatchewan's global footprint in 2023-2024 demonstrates the strength of our service delivery model, successfully guided by the STEP Board of Directors. Our high standards of good governance, including sound internal controls and

**"THE SIGNIFICANT EXPANSION OF** SASKATCHEWAN'S GLOBAL FOOTPRINT **IN 2023-2024 DEMONSTRATES THE** STRENGTH OF OUR SERVICE DELIVERY MODEL"

risk management measures, ensured the confidence of our stakeholders and members.

Through close collaboration with our government partners and our President & CEO, this past year's governing directors were actively engaged in comprehensive debate and discussion, delivering exceptionally strong governance practices.

Thank you to the Province of Saskatchewan for recognizing the impact our members' export activities have on the province's economic position, renewing their investment of resources which allow STEP to provide the best possible service to our members. The collaboration of our partners, board of directors, staff and members is essential to Saskatchewan's global success.

To those we are privileged to serve, thank you for your sustained trust and support.

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



## **MESSAGE FROM THE PRESIDENT & CEO**

As one of Canada's most trade-dependent provinces, Saskatchewan's prosperity is deeply tied to the effective promotion of its exports. On the global stage, these efforts are nuanced and require the successful navigation of unstable geopolitical landscapes and regional tensions. In its 27<sup>th</sup> year of business, Saskatchewan Trade and Export Partnership supported our member companies to another record year of export activities and sales.

STEP's incoming and outgoing trade missions, seminars, market intelligence services and funding programs helped exporters generate 6,100 qualified leads and 1,416 deals in market — increases of 23 and 34 per cent respectively over the previous year. This generated an impressive \$413 million in GDP impact for the provincial economy.

In 2023, total Saskatchewan exports reached \$ 49.3 billion, making the province the top per capita exporter in the country, more than double the national average. Furthermore, STEP's Annual State of Trade report noted that most major exports increased from the

*"IN 2023, TOTAL SASKATCHEWAN EXPORTS REACHED \$ 49.3 BILLION, MAKING THE PROVINCE THE TOP PER CAPITA EXPORTER IN THE COUNTRY"*  previous year; of which, significant volume increases were seen in the agri-food sector.

Strategically adjusting our comprehensive portfolio of services and programs to the needs of our diverse members, exporters harnessed the new Sustainability Promotion Program (SPP) — financial support to participate in trade shows with a sustainability focus. In 2023-2024, SPP was used by 33 members to promote innovative products and services across five sectors (Manufacturing, Energy/Mining/Environment, Ag/Food-Value, Ag Biotech & Technology) in five key markets (Canada, USA, Europe, Middle East & Asia).

I extend my sincere gratitude to our funding partners, the Province of Saskatchewan, the STEP Board of Directors, our management and staff, and our engaged membership for another year of productive partnership. In a time of uncertainty and transition, your unwavering dedication and hard work have been instrumental in our success. STEP remains steadfast in its commitment to driving ongoing and measurable export growth.

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

## **CORPORATE PERFORMANCE**

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

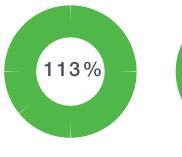




## **LEADERSHIP & ENGAGEMENT**

Facilitate, develop and promote the export ecosystem.





## SPEAKING ENGAGEMENTS

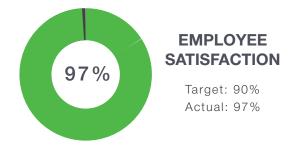
Target: 30 Actual: 34 MEDIA HITS

372%

Target: 11 Actual: 41

## STEP AS AN EMPLOYER OF CHOICE

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.



## **INDEX TO FINANCIAL STATEMENTS**

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Photo courtesy of STEP Member, Graham Group





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## **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, 2024
- 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, 2024, 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.



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.

KPMG LLP

Regina, Canada June 26, 2024

Statement of Financial Position

#### As at March 31

		2024	2023
Assets			
Current assets:			
Cash (note 4)	\$	3,078,900	\$ 3,825,377
Accounts receivable		109,213	63,185
Prepaid expenses		258,846	449,580
		3,446,959	4,338,142
Prepaid event deposits			18,390
Property and equipment (note 5)		52,638	42,035
	\$	3,499,597	\$ 4,398,567
Liabilities and Net Assets			
Current liabilities:			
Accounts payable and accrued liabilities	\$	188,756	\$ 156,406
Deferred event revenue		126,261	475,345
Deferred membership fees		222,817	188,700
Deferred contract fees		-	11,609
		537,834	832,060
Net assets:			
Invested in property and equipment (note 6)		52,638	42,035
Unrestricted		2,909,125	3,524,472
		2,961,763	3,566,507
Commitments (note 7)	*	0 400 507	 1000 507
	\$	3,499,597	\$ 4,398,567

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

Statement of Operations and Net Assets

Year ended March 31, 2024 with comparative information for 2023

	2024	2023
Revenue:		
Grant from the Government of Saskatchewan	\$ 3,268,000	\$ 3,743,000
Saskatchewan Ministry of Agriculture – exporter capacity program	82,457	112,732
Interest	182,427	97,038
Memberships	417,017	390,053
Other	88,018	76,573
Trade mission expenses recovered from participants and sponsors	1,166,665	465,102
Trade revenue	862	50,679
	5,205,446	4,935,177
Expenses:	00.100	77.004
Advertising, promotion and communications	66,190	77,394
Amortization	26,366	25,132
Bank charges and interest	10,375	9,342
Equipment rental	11,118	9,268
Exporter capacity program	82,457	112,732
General contractual services	10,925	39,910
Goods and services tax	21,902	24,648
Information technology	99,765	83,349
Insurance	29,591	27,837
Legal and audit	26,609	19,847
Market access program (note 8)	360,444	349,857
Meetings and conferences	18,325	9,572
Memberships and subscriptions	122,318	90,637
Office rental	394,682	386,534
Office supplies	17,376	10,728
Postage and courier	2,281	3,699
Precommercialization market assistance	944	
Recruitment		201
Salaries and benefits	2,397,395	2,292,593
Seminar expenses	53,978	46,536
Sponsorships	29,541	35,841
Strategic incoming buyers program	64,866	50,819
Sustainability program (note 8)	256,521	50,019
Telephone and fax	23,591	17 022
	· · · · · · · · · · · · · · · · · · ·	17,833
Training courses	13,284	6,327
Travel and trade mission expenses	1,669,346	806,383
	5,810,190	4,537,019
(Deficiency) excess of revenue over expenses	(604,744)	398,158
Net assets, beginning of year	3,566,507	3,168,349
Net assets, end of year	\$ 2,961,763	\$ 3,566,507

See accompanying notes to financial statements.

Statement of Cash Flows

Year ended March 31, 2024 with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
(Deficiency) excess of revenue over expenses Item not affecting cash:	\$ (604,744)	\$ 398,158
Amortization	26,366	25,132
Changes in non-cash operating working capital	<ol> <li>Local Production B1</li> </ol>	The same set
Accounts receivable	(46,028)	79,361
Prepaid expenses and deposits	190,734	(216,510)
Accounts payable and accrued liabilities	32,350	(6,828)
Deferred event revenue	(349,084)	348,614
Deferred membership fees	34,117	11,280
Deferred contract fees	(11,609)	-
	(727,898)	639,207
Financing activity:		
Increase in deferred event revenue	-	(336,456)
	-	(336,456)
Investing activities:		
Decrease in prepaid event deposits	18,390	328,537
Purchase of property and equipment	(36,969)	(10,563)
	(18,579)	317,974
(Decrease) increase in cash	(746,477)	620,725
		seeden to be a second of the de
Cash, beginning of year	3,825,377	3,204,652
Cash, end of year	\$ 3,078,900	\$ 3,825,377

See accompanying notes to financial statements.

Notes to Financial Statements

#### 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.

Notes to Financial Statements (continued)

### 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 notfor-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.

Notes to Financial Statements (continued)

#### March 31, 2024

## 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:

				2024		2023
	Cost		umulated	Net Book Value	1	∖et Book Value
	COSI	AII	IOTUZALIOTT	value		value
Computer equipment Office furniture and	\$ 760,952	\$	722,907	\$ 38,045	\$	10,434
equipment Leasehold improvements	153,568 82,720		152,685 69,010	883 13,710		1,405 30,196
	\$ 997,240	\$	944,602	\$ 52,638	\$	42,035

#### 6. Invested in property and equipment:

	2024	2023
Balance, beginning of year Purchase of property and equipment Amortization of property and equipment	\$ 42,035 36,969 (26,366)	\$ 56,604 10,563 (25,132)
Balance, end of year	\$ 52,638	\$ 42,035

#### 7. Commitments:

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

2025 2026 2027	\$	368,512 287,057 167,450
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Notes to Financial Statements (continued)

March 31, 2024

### 8. Market Access Program and Sustainability Promotion Program:

During the 2023 – 2024 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.

During the 2023 – 2024 fiscal year the Corporation introduced the Sustainability Promotion Program intended to support the promotion of export sustainability in domestic and international markets.

#### 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 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, 2024

Marlin Stangeland BOARD CHAIR Shercom Industries Inc.

Saskatoon, Saskatchewan

## Scott Sawatsky BOARD VICE-CHAIR

Crestline Coach Ltd. Sasktoon, Saskatchewan

**Jodi Banks** Saskatchewan Ministry of Trade & Export Development Regina, Saskatchewan

**Rick Burton** Saskatchewan Ministry of Agriculture Regina, Saskatchewan

Mark Cooper Prairie Clean Energy Regina, Saskatchewan

#### John Cote CHAIR, GOVERNANCE & HUMAN RESOURCES COMMITTEE

Black Fox Farm & Distillery Saskatoon, Saskatchewan

Kristy Ehman Hyon Software Inc. Saskatoon, Saskatchewan

Rhonda Ekstrom CHAIR, AUDIT & FINCNACE COMMITTEE Rhonda Ekstrom Regina, Saskatchewan

Kevin France Saskatchewan Ministry of Trade & Export Development Regina, Saskatchewan

Kurtis Hinz TAM International LP Saskatoon, Saskatchewan

**Mike Popowich** TA Foods Yorkton, Saskatchewan



Photo courtesy of STEP Member, Saskatchewan Food Industry Development Centre Inc.

STEP | 2023 - 2024

## **STEP STAFF**

## **CORPORATE SERVICES**

Chris Dekker President & CEO

Pamela Bartoshewski Chief Financial Officer

Nicole Grande Executive Coordinator

## TRADE DEVELOPMENT

Jeff Cooper Vice President, Trade Development

Ryan Niemela Director, Energy & Mining

**Yi Zeng** Director, Asia

Peter Siarkos Director, Manufacturing & Technology

**Brennan Gasmo** Trade Specialist, Manufacturing & Technology

Katie Janhunen Director, Agri-Value

**Stephen Froese** Trade Specialist, Agri-Value

**Tracy Gao** Trade Specialist, Agri-Value

Brittany Geisbrecht Senior Administrative Coordinator

## MARKETING & MEMBERSHIP DEVELOPMENT

Angela Krauss Senior Vice President, Marketing & Membership Development

Katya Tomlinson Communications Specialist

Kelsey Leptick Membership Coordinator \*As of March 31, 2024

Sara Beckel Senior Administrative Coordinator

Jeff Thackeray Senior Director, Market Intelligence

**Réka Gajári** Senior Market Intelligence Specialist

**Doug O'Brien** Senior Market Intelligence Specialist

Janice Lawless Senior Market Intelligence Specialist

Hannah Tait Market Intelligence Specialist





Prosperity through trade.

## CONTACT

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## ONLINE

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- in, Saskatchewan Trade and Export Partnership
- G Saskatchewan Trade & Export Partnership





## CONNECTING SASKATCHEWAN BUSINESS WITH THE WORLD