

Financial Statements of

**SASKATCHEWAN TRADE AND
EXPORT PARTNERSHIP INC.**

Year ended March 31, 2022

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

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INDEPENDENT AUDITORS' 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, 2022
- 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, 2022, 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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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, 2022

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Statement of Financial Position

As at March 31

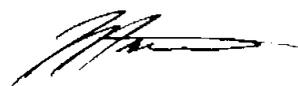
	2022	2021
Assets		
Current assets:		
Cash (note 4)	\$ 3,204,652	\$ 2,755,427
GST receivable	497	136
Accounts receivable	142,049	52,757
Prepaid expenses	233,070	515,651
	<u>3,580,268</u>	<u>3,323,971</u>
Prepaid event deposits	346,927	186,345
Property and equipment (note 5)	56,604	84,223
	<u>\$ 3,983,799</u>	<u>\$ 3,594,539</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 163,234	\$ 157,180
Deferred event revenue	126,731	413,532
Deferred membership fees	177,420	104,732
Deferred revenue – exporter capacity project	-	32,393
Deferred contract fees	11,609	11,609
	<u>478,994</u>	<u>719,446</u>
Deferred event revenue	336,456	186,345
Net assets:		
Invested in property and equipment (note 6)	56,604	84,223
Unrestricted	3,111,745	2,604,525
	<u>3,168,349</u>	<u>2,688,748</u>
Commitments (note 7)	<u>\$ 3,983,799</u>	<u>\$ 3,594,539</u>

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, 2022 with comparative information for 2021

	2022	2021
Revenue:		
Grant from the Government of Saskatchewan	\$ 3,268,000	\$ 3,268,000
Saskatchewan Ministry of Agriculture – exporter capacity program	98,559	72,696
Interest	13,884	15,360
Memberships	244,843	339,749
Other	72,068	72,167
Trade mission expenses recovered from participants and sponsors	475,914	14,655
Trade revenue	80,000	832
Canada Emergency Wage Subsidy	-	25,000
	4,253,268	3,808,459
Expenses:		
Advertising, promotion and communications	67,194	163,723
Amortization	31,366	29,081
Bank charges and interest	6,768	6,773
Equipment rental	6,175	4,212
Exporter capacity program	66,166	6,396
General contractual services	15,540	6,585
Goods and services tax	19,995	22,603
Information technology	69,310	84,344
Insurance	24,389	23,472
Legal and audit	22,293	32,702
Market access program (note 8)	164,768	13,204
Meetings and conferences	5,468	3,065
Memberships and subscriptions	80,512	88,380
Office rental	405,004	475,291
Office supplies	8,277	14,519
Postage and courier	4,506	3,616
Recruitment	-	2,000
Salaries and benefits	2,136,480	2,504,770
Seminar expenses	15,870	17,712
Sponsorships	22,746	7,500
Telephone and fax	18,359	26,845
Training courses	2,840	6,261
Travel and trade mission expenses	579,641	84,571
	3,773,667	3,627,625
Excess of revenue over expenses	479,601	180,834
Net assets, beginning of year	2,688,748	2,507,914
Net assets, end of year	\$ 3,168,349	\$ 2,688,748

See accompanying notes to financial statements.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Statement of Cash Flows

Year ended March 31, 2022 with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 479,601	\$ 180,834
Item not affecting cash:		
Amortization	31,366	29,081
Changes in non-cash operating working capital		
GST receivable	(361)	(60)
Accounts receivable	(89,292)	37,919
Prepaid expenses and deposits	282,581	50,418
Accounts payable and accrued liabilities	6,054	17,782
Deferred event revenue	(286,801)	(67,647)
Deferred membership fees	72,688	(79,968)
Deferred revenue – exporter capacity project	(32,393)	(10,939)
	<u>463,443</u>	<u>157,420</u>
Financing activity:		
Increase in deferred event revenue	150,111	-
	<u>150,111</u>	<u>-</u>
Investing activities:		
Increase in prepaid event deposits	(160,582)	-
Purchase of property and equipment	(3,747)	(83,148)
	<u>(164,329)</u>	<u>(83,148)</u>
Increase in cash	449,225	74,272
Cash, beginning of year	2,755,427	2,681,155
Cash, end of year	<u>\$ 3,204,652</u>	<u>\$ 2,755,427</u>

See accompanying notes to financial statements.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2022

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.

The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. The Corporation has assessed and continues to monitor the impact of COVID-19 on its operations. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential impact of this uncertainty on the Corporation. Potential impacts include loss of revenue, supply chain disruption, challenges associated with a remote or unavailable workforce and potential asset impairment.

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.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2022

3. Significant accounting policies (continued):

(a) Financial assets and liabilities (continued)

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.

(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.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2022

3. Significant accounting policies (continued):

(d) Revenue recognition (continued)

As a result of the COVID-19 pandemic, international, Canadian, and Provincial governments have instituted emergency measures to combat the spread of the virus, including restrictions on travel within Canada and abroad. Consequently, there is uncertainty regarding the occurrence and timing of events to which certain prepaid expenses and deferred revenues relate. Deferred revenue amounts associated with events that are ultimately cancelled may become repayable and related prepaid expenses may become unrecoverable. As of March 31, 2022, the Corporation has determined that it is likely that all currently scheduled events will proceed as planned.

(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.

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:

			2022	2021
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 714,161	\$ 705,447	\$ 8,714	\$ 19,031
Office furniture and equipment	152,827	151,619	1,208	1,640
Leasehold improvements	82,719	36,037	46,682	63,552
	<u>\$ 949,707</u>	<u>\$ 893,103</u>	<u>\$ 56,604</u>	<u>\$ 84,223</u>

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2022

6. Invested in property and equipment:

	2022	2021
Balance, beginning of year	\$ 84,223	\$ 30,156
Purchase of property and equipment	3,747	83,148
Amortization of property and equipment	(31,366)	(29,081)
Balance, end of year	\$ 56,604	\$ 84,223

7. Commitments:

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

2023	\$	374,616
2024		374,616
2025		361,935
2026		280,481
2027		163,614

8. Market Access Program:

During the 2021 – 2022 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.

SASKATCHEWAN TRADE AND EXPORT PARTNERSHIP INC.

Notes to Financial Statements (continued)

March 31, 2022

9. Risk management (continued):

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.