

**SASKATCHEWAN ECONOMIC DEVELOPMENT
ASSOCIATION INCORPORATED**

(Operating as Saskatchewan Economic Development Alliance)

Auditor's Report

Financial Statements

December 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Directors of **Saskatchewan Economic Development Association Incorporated**
(Operating as Saskatchewan Economic Development Alliance)

Report on the Financial Statements

Opinion

We have audited the financial statements of **Saskatchewan Economic Development Association Incorporated**, which comprise the statement of financial position as at **December 31, 2024** and the statements of revenue, expenditures and surplus, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Saskatchewan Economic Development Association Incorporated** as at **December 31, 2024** and its financial performance and 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 report. We are independent of **Saskatchewan Economic Development Association Incorporated** 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.

Information Other than the Financial Statements and Independent Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance 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.

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 the use of the going concern basis of accounting unless management either intends to liquidate the entity or 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 Responsibility 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 these 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.

We 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.

Saskatoon, Saskatchewan
April 29, 2025


Chartered Professional Accountants

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED



(Operating as Saskatchewan Economic Development Alliance)

STATEMENT OF FINANCIAL POSITION

December 31, 2024
with comparative figures for 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 1,029,911	1,321,487
Short-term investments	-	101,000
Accounts receivable (Note 3)	40,803	37,129
Inventory	1,313	-
Prepaid expenses	13,845	11,776
Total current assets	1,085,872	1,471,392
Capital assets (Note 5)	371	1,113
	<u>\$ 1,086,243</u>	<u>1,472,505</u>
<u>LIABILITIES AND SURPLUS</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 30,295	51,940
Deferred contributions (Note 6)	832,615	1,258,272
Deferred revenue - membership and bursary fund (Note 7)	28,877	16,705
Total current liabilities	891,787	1,326,917
Surplus	194,456	145,588
	<u>\$ 1,086,243</u>	<u>1,472,505</u>

APPROVED ON BEHALF OF THE BOARD:

 Director
 Director

See accompanying notes to the financial statements.

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

STATEMENT OF REVENUE, EXPENDITURES AND SURPLUS

Year ended December 31, 2024

with comparative figures for 2023

	<u>2024</u>	<u>2023</u>
Revenue:		
Canada Digital Adoption Program funding	\$ 2,116,564	1,570,090
Canada Workforce Development program	511,647	681,673
Cluster development project funding	130,645	145,428
Federal program funding	6,999	-
Investments	6,556	284
Memberships	95,968	96,876
Other revenue	1,776	-
Project management fees	18,603	28,667
Provincial program funding	29,876	20,124
Registration	58,772	58,810
SIRI program funding	20,817	-
Sponsorship	79,195	67,000
	<u>3,077,418</u>	<u>2,668,952</u>
Expenditures:		
Amortization	742	742
Uncollectible Accounts	-	142
Canada Digital Adoption Program Delivery (Schedule 1)	2,116,564	1,570,091
Canada Workforce Development Program (Schedule 2)	511,671	681,673
Cluster development project expense	130,590	145,216
Contract services	62,790	100,343
Facilitating fees	35,950	22,937
Insurance	2,755	3,094
Interest and bank charges	2,275	2,304
Marketing	7,013	18,754
Memberships	1,682	1,092
Office and general	3,177	5,040
Publication	226	226
Professional fees	3,200	3,180
Program delivery (general) expense	53,491	48,348
Rental	7,320	4,730
SIRI program	20,817	-
Telephone	1,124	789
Travel and meeting expenses	11,528	7,045
Venue / hospitality expenses	55,635	50,703
	<u>3,028,550</u>	<u>2,666,449</u>
Excess of revenue over expenditures	48,868	2,503
Surplus, beginning of year	<u>145,588</u>	<u>143,085</u>
Surplus, end of year	<u>\$ 194,456</u>	<u>145,588</u>

See accompanying notes to the financial statements.

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

STATEMENT OF CASH FLOWS

Year ended December 31, 2024

with comparative figures for 2023

	<u>2024</u>	<u>2023</u>
Operating activities:		
Excess of revenue over expenditures	\$ 48,868	2,503
Item not involving an outlay of cash:		
Amortization	<u>742</u>	<u>742</u>
	49,610	3,245
Changes in non-cash working capital:		
Accounts receivable	(3,674)	(1,843)
Inventory	(1,313)	-
Prepaid expenses	(2,070)	(5,412)
Accounts payable and accrued liabilities	(21,644)	(1,914)
Deferred revenue	(515,855)	536,732
Deferred contributions	<u>102,370</u>	<u>(817,304)</u>
	<u>(392,576)</u>	<u>(286,496)</u>
Investing activities:		
Short-term investments	<u>101,000</u>	<u>(1,000)</u>
Decrease in cash during the year	(291,576)	(287,496)
Cash position, beginning of year	<u>1,321,487</u>	<u>1,608,983</u>
Cash position, end of year	\$ <u>1,029,911</u>	<u>1,321,487</u>
Cash position is comprised of cash in bank less outstanding cheques.		

See accompanying notes to the financial statements.

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. DESCRIPTION OF BUSINESS

The Saskatchewan Economic Development Association Incorporated, the "Association", is a member-driven organization that provides skills, knowledge, resources and connections required to embrace change and build a sustainable future for Saskatchewan. The Association operates under the name "Saskatchewan Economic Development Alliance".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements reflect the following significant accounting policies:

(a) Investments

Investments for which there are quoted prices in an active market are carried at fair value. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of revenues.

(b) Capital assets

The Association capitalizes assets valued at \$500 or greater. All capital assets shall provide a future economic benefit to the Association. All assets are amortized over their estimated useful lives using the straight line method as follows:

Computer hardware	3 years
Equipment	3 years

(c) Revenue recognition

The Association follows the deferral method of accounting for contributions. Unrestricted grants and contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Government grants related to current expenditures are recorded as revenue in the current year. Grants received in the year for expenditures to be incurred in the following fiscal year are recorded as deferred revenue. Membership fees are recognized over the term of the membership. Registration fees are recognized when the services have been provided. Project management fees are recognized over the term of the projects as services are provided.

(d) Donated materials and services

The Association benefits from the contribution of materials and services. These financial statements reflect the value of in-kind donations received during the year to the extent that the materials and services would be paid for in the normal course of the Association's operations and fair value of the donated materials and services can be reasonably estimated.

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(e) Financial instruments

Financial instruments, including cash, accounts receivable, accounts payable, and accrued liabilities are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

(f) Measurement uncertainty

The preparation of the financial statements in accordance 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE

	<u>2024</u>	<u>2023</u>
General	\$ 39,262	9,361
GST receivable	<u>1,541</u>	<u>27,768</u>
	<u>\$ 40,803</u>	<u>37,129</u>

4. ECONOMIC DEPENDENCE

The Association receives significant grant funding from various organizations. As a result, its ability to continue operations at the current level is dependent on receiving this funding in the future. These grants can be cancelled if the Association does not meet terms and conditions as set out in each grant agreement. As at the date of these financial statements, management believes the Association is in compliance with the terms and conditions set out in the grant agreements.

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

5. CAPITAL ASSETS

		<u>2024</u>		<u>2023</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Equipment	\$ 2,481	2,357	124	371
Computer hardware	<u>3,838</u>	<u>3,591</u>	<u>247</u>	<u>742</u>
	<u>\$ 6,319</u>	<u>5,948</u>	<u>371</u>	<u>1,113</u>

6. DEFERRED CONTRIBUTIONS

	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Recognized as revenue</u>	<u>Balance, end of year</u>
Canada Digital Adoption Program	\$ 643,788	2,052,771	2,116,564	579,995
Community Safety and Well-Being	24,876	5,000	29,876	-
Community Workforce Development Program	498,138	13,509	511,647	-
Cluster Development Project	80,837	96,808	130,645	47,000
Social Enterprise Funding	10,633	9,000	14,013	5,620
Saskatchewan Investment Readiness and Implementation Program	<u>-</u>	<u>220,816</u>	<u>20,816</u>	<u>200,000</u>
	<u>\$ 1,258,272</u>	<u>2,397,904</u>	<u>2,823,561</u>	<u>832,615</u>

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

7. DEFERRED CONTRIBUTIONS - continued

Canada Digital Adoption Program

The Government of Canada partnered with the Association, Saskatchewan Polytechnic, Digital Main Street, and Economic Development Regina to deliver the *Grow Your Business Online* grant to small businesses across the country. The program will be available until March 2025, subject to remaining grant availability.

Schedule 1 provides a breakdown of expenditures incurred relating to this program.

Community Workforce Development Program

The Government of Canada partnered with the Association to deliver the *Community Workforce Development - Humboldt Region project*. The project will foster collaboration between partners in various sectors and industries with the goal of connecting job seekers with employers and training providers.

Schedule 2 provides a breakdown of expenditures incurred relating to this program.

Cluster Development Project

Prairies Economic Development Canada provided federal funding for to be used to establish industry clusters in five rural Saskatchewan regions for the Phase 1.

The Government of Saskatchewan (Ministry of Trade and Export Development) provided the Association with funding for the Phase 2 of the cluster project. The grant will provide Saskatchewan's small and rural communities with a framework and tools to support existing and emerging industry clusters.

Saskatchewan Investment Readiness and Implementation Program

The Government of Canada (Ministry of Trade and Export Development) provided the Association with funding for working with rural trading areas in the province to launch this program. This program aims to assess and activate investment and growth opportunities at a local and regional level, providing a clear direction for future economic growth in rural Saskatchewan.

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

7. DEFERRED REVENUE - MEMBERSHIP AND BURSARY FUND

	Balance, beginning of <u>year</u>	<u>Additions</u>	Recognized as <u>revenue</u>	Balance, end of year
Membership deferred revenue	\$ 14,193	28,877	14,193	28,877
Bursary fund	2,512	-	2,512	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 16,705</u>	<u>28,877</u>	<u>16,705</u>	<u>28,877</u>

8. FINANCIAL INSTRUMENTS

The Association as part of its operations carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant currency or credit risks arising from these financial instruments except as otherwise disclosed. The carrying value of the Association's cash, accounts receivable and accounts payable approximate their fair value due to their short-term nature.

Risks and concentrations

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations at December 31, 2024.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its accounts payable.

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 carrying amounts of financial assets on the statement of financial position represent the Association's maximum exposure at the financial statement date. The credit risk on cash is limited because the counterpart is a financial institution with high credit rating assigned by national credit-rating agencies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is not exposed to any significant market risk.

SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION INCORPORATED

(Operating as Saskatchewan Economic Development Alliance)

SCHEDULE 1 - CANADA DIGITAL ADOPTION PROGRAM DELIVERY EXPENSES

Year ended December 31, 2024
with comparative figures for 2023

	<u>2024</u>	<u>2023</u>
Expenses:		
Business grant disbursement	\$ 1,336,894	682,038
Delivery partners salaries and wages	245,769	195,445
Other participant costs	952	6,429
Professional fees	15,324	14,333
Project costs	40,624	85,956
Recruitment and management	29,464	17,672
Salaries and wages	30,650	16,372
Student disbursement fund	<u>416,887</u>	<u>551,846</u>
	<u>\$ 2,116,564</u>	<u>1,570,091</u>

See accompanying notes to the financial statements.

**SASKATCHEWAN ECONOMIC DEVELOPMENT ASSOCIATION
INCORPORATED**

(Operating as Saskatchewan Economic Development Alliance)

SCHEDULE 2 - CANADA WORKFORCE DEVELOPMENT PROGRAM

Year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Expenses:		
Administration	\$ 18,744	51,035
Participant costs	95,256	557,508
Project costs	<u>397,671</u>	<u>73,130</u>
	<u>\$ 511,671</u>	<u>681,673</u>

See accompanying notes to the financial statements.