



“Growth, Building on Experience”



SASKATCHEWAN
CHAMBER *of* COMMERCE

Annual Report 2012-13

2013 Annual Report Index

Board of Directors.....	3
Chair's Message.....	4
CEO's Message.....	5
Update on the Tax Plan.....	6
Investment & Growth Committee Report.....	8
Human Resources Committee Report.....	9
Environment Committee Report.....	10
Finance Committee Report.....	11
ABEX Award Winners & Sponsors.....	12
ABEX Business Hall of Fame & Business of the Year.....	13
Special Events & Projects.....	14
2013 Conference on Business Sponsors.....	15
67th Annual General Meeting Minutes.....	16
Financial Statements.....	18

Saskatchewan Chamber of Commerce Officers



Fred Titanich
Chair
CAA Saskatchewan



Pat Friesen
Past Chair
Success Business
Consulting



Marion Ghiglione
1st Vice-Chair
Handy Group of
Companies



Bruce Anderson
2nd Vice-Chair
b-creative group Inc.

Saskatchewan Chamber of Commerce Board Members



Randy Beattie
PFM Capital Inc.



Brian Chalmers
Consultant



Cam Cooper
Praxis Group



Michael Cossar, C. A.



Andrew Geary
Deloitte & Touche LLP



Darrell Howell
(Resigned)



Lester Lafond
Lafond Insurance &
Financial Services Ltd.



Shawna Nelson
Sheraton Cavalier
Saskatoon



Patricia Warsaba
McKercher LLP

Saskatchewan business making the province the best place to live, work and invest.

“Through your membership and support of chamber activities, each of you is leading the way for business in this province, during a unique time of challenge and opportunity...”

CHAIR'S REPORT

Greetings,

As I prepare to leave the Chair position to incoming Chair Marion Ghiglione, and look back on the 2012-13 term, I am once again grateful for the opportunity to lead the province's foremost business organization, an entity which continues to drive the province's economy confidently into tomorrow. I have had the pleasure of working with an exceptional group of business leaders on the Chamber's Board of Directors, and with the skilled and enthused members of the Chamber staff. It is through your hard work that the Saskatchewan Chamber has achieved what it has, and will continue to make gains in the months and years to come.



Fred Titanich, Chair

I am proud to be included in the long list of Chamber leaders who founded and advanced the Chamber's mandate to its current position as an integral part of Saskatchewan's business community, and a vital player in Saskatchewan's growth agenda.

The Chamber's advocacy work continued to press ahead, especially in the areas of labour legislation, taxation and Public Private Partnerships (P3s). Several of the recommendations put forth by the Saskatchewan Chamber were incorporated into Saskatchewan's new *Employment Act* and labour legislation changes.

Thanks in part to the Chamber's advocacy efforts, the provincial government announced a reduction in the small business tax rate from 12 per cent to 10 per cent; this had been an element in the Chamber's *Tax Plan for Saskatchewan's Continuing Prosperity*.

As well, the creation of the Treasury Board Crown Corporation SaskBuilds, which will establish a central process to advise on, plan, coordinate and prioritize infrastructure projects, fulfilled another item for which the Chamber has advocated. Our Expert Committees have fueled these accomplishments through their commitment and hard work, and our CEO Steve McLellan has, and continues to competently steer the organization through the evolving business and political landscape.

Our membership has had many professional development and networking opportunities this year, from the 2012 Conference on Business, to the Political Forum, Make a Connection Reception, the Premier's State of the Province Luncheon, ABEX, and partnered events such as Sharpening Your Competitive Edge. Each year, the Chamber's events continue to get better and better, and 2013 being the 30th anniversary of the ABEX Awards, I'm sure it will be a night to remember.

Leadership coach John C. Maxwell notes that, "A leader is one who knows the way, goes the way, and shows the way." Through your membership and support of chamber activities, each of you is leading the way for business in this province, during a unique time of challenge and opportunity, and I applaud you for it.

It is through the teamwork of leaders such as yourselves, the Board, committees, and the chamber staff that we continue to augment our presence as the voice of business in Saskatchewan. I am honoured to have been able to play a part in this.

The role of the Saskatchewan Chamber of Commerce has never been more integral to the continued prosperity of the business community throughout this province. Almost every economic indicator shows Saskatchewan is on top of all Canadian provinces, something in which the Sask Chamber played an important role. While the Sask Chamber's history goes back almost 90 years, I will look back only as far as the Action Saskatchewan 'movement' in the mid 2000s.

In 2007, the Saskatchewan Chamber's Growth Strategy laid out a series of key indicators that had to be met to make our growth sustainable. It said we needed to grow to 1.5 million people by 2030 (a 1.75 per cent annual growth rate). While it took a bit to get up to speed, we are now exceeding that percentage of growth, and as a result, there are more people living here than at any time in our history. Next in line was the 2010 Tax Plan which laid out a decade-long plan to reform our tax system for the betterment of all residents. That, too, is moving forward – although there is work still to be done on getting it implemented.

Big picture thinking, matched with solid and practical actions, has paid dividends and that combination will continue to ensure our members future success. We **asked** the membership what we should do, and we are doing it.

With so much going right in Saskatchewan, we are now able to spend time on the more foundational challenges of business growth. As we focus attention on such issues as the shortage of skilled workers and work-ready people we find ourselves engaged in addressing the roadblocks that hinder success in these areas, including weak student achievement levels, insufficient skills training options for marginalized people and immigration rules and processes. This means that the issues we spend time on are different than those we worked on a decade ago, but we know that they are essential factors in continued growth within the province. We had a clear picture of what was needed, and have **acted** on the issues.

The province has seen very positive growth in attracting and retaining new workers, but the demand is clearly greater than even the enhanced supply can cover. This means we need to start doing more with the workers we have and that calls for a focus on productivity and innovation. Having recognized that we lag behind the rest of the country in these areas, the Sask Chamber is creating programs to get our businesses much better at doing more with the same (not less) workers than before.

The Saskatchewan Chamber of Commerce had a record year in new member growth in 2012, and we very much appreciate the support. We saw fantastic crowds at all our events and our membership survey revealed that a remarkable 93 per cent of our members would recommend us to other businesses. Without the incredible support of our growing membership, we would not have seen the success we did in 2012.

To our outgoing Chair Fred Titanich I extend heartfelt thanks for his constant good advice and calm, focused manner. The entire Board was asked to step up in terms of new committee roles and as usual with all the meetings and events - they all did an amazing job. We say 'Adios' but not 'Goodbye' to our Past Chair, Ms. Pat Friesen who steps off of the Board this year. I will always admire Pat's strength and commitment to the Chamber, her home town and the business community. Thank you, Fred and Pat. To the staff of the chamber I offer my most sincere thanks. We have some new faces on our team, and even in a year that was so busy and with so much new happening they all acted like the real professionals that I know they are.

2012 will be a year I will always remember for the great people I had the privilege to work with, and for the mountains we all climbed together. We stood tall in defending business success when we needed to, and took some shots because of it. That's exactly what a great Chamber should do – **Ask, Act and Answer the Call.**







Steve McLellan, CEO

"With so much going right in Saskatchewan, we are now able to spend time on the more foundational challenges of business growth."




Moving forward: Update

A Tax Framework for Saskatchewan's Continuing Prosperity

	Progress	Original Recommendation	Status
Education Property Tax Reduction		Affecting both residential and non-residential properties, the Framework recommended transferring a portion of education funding away from the property tax to other provincial tax sources. The basis of this reform was to ensure that a commitment made by the government in 2009 was completed. The Framework called for this recommendation to be implemented in 2011-12 and projected it would reduce revenue by \$55 million.	In Budget 2011-12 the provincial government reduced education property taxes by a total of \$55.6 million, fulfilling this recommendation.
Education Property Tax Reform		The Framework recommendations include capping the differential in the effective rate of education property tax for non-residential properties at 1.43 of residential properties. This would equalize the effective rate of tax on residential and non-residential properties as businesses can deduct property taxes. The reform would also eliminate the three-tiered rate structure for non-residential properties. The Framework recommended phasing in this recommendation from 2011 to 2014 and estimated it would reduce provincial revenue by \$135 million.	Due to the changes instituted in 2009, the Government of Saskatchewan has the authority necessary to implement this recommendation, but to date has shown little interest in moving this tax burden off of non-residential property taxpayers.
Municipal and Education Property Tax Simplification		Affecting both residential and non-residential properties, this recommendation would reduce the assessment cycle used to calculate property value from 4 years to 2 years. To further simplify administration, under this reform provincial legislation would do away with inclusion rates, mill rates, mill rate factors, tiered mill rates, base tax, and minimum tax by substituting an effective rate of tax to be calculated for each classification of property. The Framework estimates that instituting this reform would result in a one-time transitional expenditure of \$1 million.	Saskatchewan's Ministry of Municipal Affairs indicated that instituting this reform would be significantly more expensive than suggested. Furthermore, the Ministry is concerned with the loss of local autonomy that would occur if so many of the tax tools currently under local authority were removed. To date no progress has been made on this recommendation.
Personal Income Tax Reform		The Framework advocates for the province to reform personal income tax by moving from the current three rate structure of 11%, 13%, and 15% to a dual rate structure of 9% and 12%. This change to the personal income tax system would be phased in through a five step process that would start in fiscal year 2013/14 and fully conclude in 2018/19. Over the course of its implementation, this proposal would cost the province \$525 million in reduced revenue.	The government has focused its personal income tax changes on increasing the exemption amounts and indexing the income tax brackets and personal tax credit amounts for inflation. The Chamber applauds the government for these efforts but believes now is the time to focus on moving to a two-tier income tax system.

Moving forward: Update

A Tax Framework for Saskatchewan's Continuing Prosperity

Municipal Property Tax Reform		The Framework recommends capping differentials in the effective rate of tax for non-residential properties at 1.43 of residential properties in the cities of Regina and Saskatoon. This reform should be implemented over a long time period (starting immediately) so that incremental growth in the property tax base can cover the cost of the shift without unduly impacting municipal revenues or residential property taxpayers.	The provincial government could expand its authority and place limits on Saskatoon's and Regina's autonomy in regard to property tax distribution and the use of local tax tools, however, the Chamber recognizes that the City of Saskatoon was able to achieve a differential of 1.75x through a self-set goal. The Chamber is therefore refocusing its advocacy efforts and will seek to have this recommendation implemented at the municipal level in Saskatoon and Regina.
Corporate Income Tax Reform		This reform recommended reducing the corporate income tax rate to 9% and small business rate to 3% in order to improve the competitiveness of Saskatchewan businesses. Reducing the general corporate income tax rate to 9% would provide the businesses of Saskatchewan with a similar "net tax" relief offered to businesses in provinces that have embraced an HST, without shifting an additional consumption tax onto residents. The full implementation of the original recommendation was projected to occur in 2017/18 and would have reduced provincial revenue by \$232 million.	Since the release of the Framework, the province has lowered the small business tax from 4.5% to 2%. This change reduced provincial revenue by an estimated \$80 million per year. Further, in October 2012 the government released the "Saskatchewan Plan for Growth". Under this plan Saskatchewan will begin to lower its incorporated business tax rate from 12% to 10% over the next three years, starting in the 2013-14 Budget (although this change has been temporarily postponed as of the 2013-2014 Budget due to fiscal constraints). Although this change does not fully complete the Chamber's recommendation, it is significant progress.
Financial Corporate Capital Tax		This reform recommends eliminating the corporate capital tax on financial institutions. Currently, the financial corporate capital tax is applied inequitably to the financial sector. The corporate capital tax is charged to large financial institutions, such as banks but not smaller ones, like credit union. Implementing this reform will create more equality and encourage growth in small and medium-sized financial institutions.	This would be the last reform implemented in the Framework's timetable, and is scheduled for 2019/20. Due to the implementation timeline, very few discussions or activities regarding this reform have occurred to date.

Chaired by Randy Beattie

“The committee considered how to encourage development of the North and enhance quality of life for northern residents.”

The Investment & Growth Committee met six times in 2012/13.

P3 Initiatives: The committee met with SaskBuilds’ Interim President and CEO Brian Manning and Executive Director Lisa Boire. SaskBuilds is looking at P3 initiatives and how to drive innovation in the province. The Chamber is hosting a P3 Summit in June to help businesses understand P3s and how they can participate.

Northern Business Task Force: Northern Saskatchewan faces many issues limiting growth and potential. The committee considered how to encourage development of the North and enhance quality of life for northern residents. The Northern Business Task Force was created and will meet during 2013/14 to develop a plan for infrastructure and economic development. The task force is made up of members of the business community throughout the province.

Productivity: The committee encouraged the Chamber to pursue the development of productivity sessions to encourage and assist the business community and government to adopt productivity measures.

The committee attended a presentation to the Board by Kent Campbell, Deputy Minister for the Ministry of the Economy regarding the Ministry’s mandate.

The committee developed policies for the 2013 AGM on taxation issues impacting rental accommodation construction and criteria to be considered when provincial or federal governments are evaluating foreign investment in Canadian companies.

Thanks to the members and staff who have participated in the committee’s work plan. Those people are: John Houlden (John A. Houlden & Associates); Geoff Gay (Athabasca Basin Development LP); Kim Ulmer (RBC); Patricia Warsaba (McKercher LLP); Aaron Runge (MacPherson, Leslie & Tyerman); Kent Smith-Windsor (Greater Saskatoon Chamber of Commerce); Loren Sproat (Northern Lights Casino); Tafaline Wall (BMO Bank of Montreal); Bruce Anderson (b-creative group); Robert Eisner; Gerry Syrota (Corps of Commissionaires); Jaret Waddell (Airline Hotels); Gord M. Gillespie (West Wind Aviation); Saquib Khan (University of Regina); Brad Farquhar (Nomad Capital Corp); Thomas Benjoe (RBC) Lee Gates (Royal Bank of Canada); Arlynn Kurtz (APAS); and M.L. Whittles (Kenaston & District Chamber of Commerce).

Chaired by Shawna Nelson

The committee met five times in 2012/13 and created five policies for the 2013 Chamber AGM.

Mike Carr Deputy Minister and Glennis Bihun Executive Director, with the Ministry of Labour Relations and Workplace Safety met with the committee regarding amendments to the Occupational Health and Safety legislation.

Karen Smith, the Workers' Compensation Board Employer representative provided regular updates on WCB issues including changes to the Workers' Compensation Act.

Elaine Burnett with Burnett Immigration Services gave a presentation on the difficulties immigrants have emigrating to Canada. The Immigration Issues Discussion Group was formed to address issues employers are having when hiring immigrants.

The committee developed a policy recommending the creation of Labour Market Opinion (LMO) exempt positions for specific occupations to expedite the LMO process.

The committee continues to support the work of the Labour Market Task Force and K-12 Advisory Board, advocating for implementation of recommendations coming from these groups.

The committee created a policy encouraging the provincial government to collect statistical data formerly gathered by Statistics Canada's long form census, and data about on-reserve Aboriginal communities. This data would be useful for government and business program planning and analysis.

The committee has developed a policy on the importance of making Aboriginal education and skills development a priority. Aboriginal education and skills development is vital to the success of our province.

Thanks to the members and staff who have participated in the committee's work plan. Those people are: Elaine Burnett (Burnett Immigration Services); Beverly Crossman (Association of Saskatchewan Regional Colleges); Marion Ghiglione (Handy Group of Companies); Doug Lawrence (Talent C - People Services); Wendy Plandowski (Lakeland College); Darcy Acton (Tourism Saskatchewan); Karen Smith (Saskatchewan Workers' Compensation Board); and Jim Thiessen (Advantage Credit Union); Haidah Amirzadeh (Miller Thomson); Don Connick (APAS); Bob Lane (Solvera Solutions); Graeme Taylor (Brandt Group of Companies); Mike Wainwright (Mike Wainwright LR Consulting); and Brett Cavanaugh (McKercher LLP).

"The committee developed a policy recommending the creation of Labour Market Opinion (LMO) exempt positions for specific occupations to expedite the LMO process."

“The committee continues to advocate for the consolidation of the SWSA within the Ministry of the Environment.”

Chaired by Robert Schutzman

The committee was very active, meeting with government officials during 2012/13.

Environmental Code: Thon Phommavong with the Ministry of the Environment presented an update. The code will receive assent in spring, 2013.

Water Management: Wayne Dybvig, Susan Ross and Dale Hjertaas with the Saskatchewan Water Security Agency (SWSA) presented the agency’s mandate. The committee developed a policy recommending completion of the provincial water availability study as well as a study on the Saskatchewan-Nelson Basin to ensure water management decisions are based on current data. The committee continues to advocate for the consolidation of the SWSA within the Ministry of the Environment.

Greenhouse Gases: Kim Graybiel and Ed Dean from the Ministry of the Environment presented the Saskatchewan Climate Change Framework. The committee will be looking at energy efficiency programs for business during 2013/14.

PFRA Pastures: Wally Hoehn with the Ministry of Agriculture provided an update on the PFRA community pasture transition. A policy was developed around ensuring economic, social and ecological sustainability of the AESB/PFRA lands when they are privatized.

Air Quality Management System: Chuck Bosgoed with the Ministry of the Environment presented the Canada-Wide Air Quality Management System. Saskatchewan air zones have been delineated and management of four of the six air zones will be in place by the end of 2013.

Results Based Regulation: The committee recommends Chamber members and the provincial government continue to pursue the adoption of results based regulation. The committee will review changes to the Lands Act in 2013/14.

Boreal Woodland Caribou: The committee developed a policy on the management of the habitat of the boreal woodland caribou.

Thanks to the members and staff who have participated in the committee’s work plan. Those people are: Marcella Adams (Sifto Canada); Wayne Clifton (Clifton Associates Ltd.); Niran Harrison (University of Saskatchewan); Rangi Jeerakathil (MacPherson, Leslie & Tyerman LLP); Gay Patrick (Saskatchewan Potash Producers Association); Tracy Roy (Viterro); Darlene Sakires (CAPP); Pam Schwann (Saskatchewan Mining Association); Jessica Theriault (Mosaic); Jason Ash (Vale Potash Canada Ltd.); Erika Ritchie (K+S Potash Canada GP); Erin Robertson (K+S Potash Canada GP); Lyle Cloutre (Envirotec Services Inc.) Michael Edmonds (Viterro); Fred Hill (SaskEnergy); Todd Lewis (APAS); and Mark Wittrup (Ministry of the Environment).

Chaired by Bruce Anderson

The Finance Committee had an active year, meeting five times this year (2012-13).

Our work plan for the year was mostly completed.

Increased committee participation: We added local Chamber participation, agriculture representation, and a Tax Plan partner (CGA Sask) – all to help expand our representation

Policy development: We worked on policies for pension reform, heritage fund, and capital gains taxation of small businesses and farms. The latter two topics were developed into policies, which will be presented to the AGM.

Pension Reform: We met with Brian Smith, Assistant Deputy Minister, Public Employees Benefits Agency and he was a phenomenal resource on pensions across Canada. We will continue to work on policy directions for pension reform

Heritage Fund: We are waiting to talk with the Heritage Fund concept working group, led by Peter MacKinnon, but the group is not scheduled to finish its work until next year. We had great research and policy support from the University of Regina's Economics Dept., who published a paper, "A Call for a New Saskatchewan Heritage Fund?". This document is available from the Sask. Chamber website and has been used to inform government officials.

Input to Provincial Government: We met with Finance Minister Ken Krawetz in December, met with Opposition and Government leaders at the Political Forum, and worked on a media response to the 2013-2014 provincial budget. We are pleased with a balanced budget and lower expenditure growth.

Implementation of Tax Report: Recommendations were discussed in meetings with the Minister of Finance and at the Political Forum. A challenging budget has meant delays in implementing the recommendations, though we welcome the improvements to property tax.

Thanks to the members and staff who have participated in the committee's work plan. Those people are: Mike Dillon (Dillon Accounting); Jack Upshall (Upshall Consulting); Abe Toews (Beyond Wealth Management); Dr. Stuart Wilson (University of Regina, Economics Department); Pat Pitka (PWP Holdings); Norm Hall (Agricultural Producers' Association of Saskatchewan); John Hopkins (Regina Chamber of Commerce); and Prabha Vaidyanathan (CGA Saskatchewan); Darren Carlson (McDougall Gauley); Ted Mahood (Advanced Engineered Products Ltd.); and Darrell Zwarych (Advanced Engineered Products Ltd.).

The Finance Committee focused on four areas:

Increased Committee Participation; Policy Development; Input to Ministers of Finance; and Implementation of the Tax Report.

YEAR IN REVIEW

*The annual
ABEX Awards
recognize
outstanding
business
achievements
by honouring
the efforts
of successful
companies,
large and small,
and paying
tribute to
achievers.*

THE ABEX AWARDS

The Aboriginal Business Partnership Award
Sponsored by SaskEnergy

Neechie Gear

The Community Involvement Award
Sponsored by BHP Billiton

Neechie Gear

The Environment Award
Sponsored by SaskWater

Confederation Inn

The Exports Award
Sponsored by Saskatchewan Trade & Export Partnership

Alliance Grain Traders

The Growth & Expansion Award
Sponsored by PFM Capital Inc.

Solvera Solutions

The Marketing Award
Sponsored by KPMG LLP

Flaman Group of Companies

The Innovation Award
Sponsored by Innovation Saskatchewan

Innovative Rehabilitation Consultants

The New Venture Award
sponsored by the Saskatchewan Ministry of the Economy

Contango Strategies

The Service Award
Sponsored by Handy Special Events

MAACO Collision Repair & Auto Painting

The Young Entrepreneur of the Year Award
Sponsored by Cameco

Tyler Boyd, Boyd Excavating

The Business Leader of the Year Award
Holly Hetherington, David Aplin Group

PATRONS

Certified General Accountants of Saskatchewan
Cogent Business Consulting
Delta Regina
Evraz Inc. NA
Great-West Life, London Life, Canada Life

The Leader-Post/ The StarPhoenix
The Mosaic Company
SaskPower
SaskTel
WorkSafe Saskatchewan & Workers' Compensation Board

Business Hall of Fame

PotashCorp was named to the Saskatchewan Chamber of Commerce's Business Hall of Fame at the 2012 ABEX Awards in Regina.

The "Saskatchewan Business Hall of Fame" was established by the Saskatchewan Chamber of Commerce to recognize cornerstone businesses that have demonstrated excellence, and contributed to the economic well-being of the people of the province over an extended period of time.

As the world's largest fertilizer producer, PotashCorp has distinguished itself as a leader in business in Saskatchewan and a champion for global food security, with its products playing a vital role in agriculture and food production around the world.

The company employs more than 2,300 people in the province, and has made a significant commitment to an expansion program as part of its long-term vision.

PotashCorp has also distinguished itself as a leader in community giving. With a target of investing one per cent of pretax earnings into community endeavours, PotashCorp provided more than \$21 million to organizations, events and projects in 2011.



Bill Johnson and Denita Stann of PotashCorp with Hall of Fame award presenter Eric Dillon of Conexus Credit Union.

Business of the Year

Also known as Saskcan Pulse Trading, Alliance Grain Traders has grown to operate 12 processing facilities in Saskatchewan, Alberta and Manitoba, as well as 29 facilities worldwide, and the company employs 720 people.

An active exporter to all geographic regions, processing and exporting products to over 100 countries around the world from facilities across Canada, the U. S., Turkey, Australia, China and South Africa, Alliance reaches clients across the globe.



Omer Al-Katib of Alliance Grain Traders accepted the Business of the Year award from Stephanie Yong of the Brett Wilson Centre.

The "Business of the Year" is selected from all ABEX entrants as the business demonstrating performance that is particularly outstanding and deserving of praise. The performance may represent either individual achievement or an overall success and is judged according to the usual evaluation criteria of profitability, growth, stability, and investment strategy. The jury considers the relative size of the business, as well as its own particular market circumstances.

The theme for the 2012 ABEX Awards night at the Delta Hotel in Regina on October 20th was "A Tribute to the RCMP". RCMP members in red serge joined the guests and finalists as they celebrated business achievements.

POLITICAL FORUM 2012

The Chamber's annual Provincial Political Forum was held January 19th, 2012 at the Hotel Saskatchewan in Regina. Premier Brad Wall was in attendance, along with 12 of his Ministers, Acting Party Leader John Nilson of the NDP, and six Opposition Critics. In total, an impressive 92 people were on hand to discuss a wide variety of issues in the individual breakout session rooms, and the general forums which followed the sessions. Political Forum is the Sask Chamber's largest and most important advocacy event, affording the Chamber's members the chance to meet with top Saskatchewan government officials, and explore the problems that are facing businesses in the province and what should be done to solve them.

MAKE A CONNECTION RECEPTION

The 2012 Make a Connection Reception was held April 19th at the Royal Regina Golf Club. The clubhouse was packed, with 99 people in attendance, including Deputy Ministers, Assistant Deputy Ministers, Crown Presidents, Chiefs of Staff and a wide range of Saskatchewan Chamber members. Make a Connection Reception is the second largest advocacy event that the organization hosts during the year, and provides an opportunity for open dialogue between Sask Chamber members and Saskatchewan government's Deputy Ministers, Agency CEO's and Crown Corporation Presidents about subjects of importance to business.

PREMIER'S STATE OF THE PROVINCE ADDRESS

The Saskatchewan Chamber was honoured to be asked to host the Premier's State of the Province Address for 2012. Held October 16th at TCU Place in Saskatoon, the State of the Province Address provided the platform for the Premier to lay out his government's "Saskatchewan Plan for Growth", a vision for what Saskatchewan will be like in the next few years, and how the government plans to get there.

Attended by an audience of over 280 people, the event was live webcast across the Internet, a first for the Saskatchewan Chamber.

SHARPENING YOUR COMPETITIVE EDGE CONFERENCE

The Sask Chamber partnered with the Ministry of the Economy to host the Sharpening Your Competitive Edge conference, a one-day event held November 6th. The 73 delegates represented the manufacturing, resources, transportation, engineering and service industries, who gathered to hear best practices testimonials from speakers including Callie Woodward (Tim Hortons), Kerry Heid (Magna Electric), Eric Dillon (Conexus Credit Union) and Pedro Antunes (Conference Board of Canada).

REBRANDING THE CHAMBER

One of the special projects for 2012-13 was the development of a new visual identity for the Chamber, that is aesthetically pleasing and forward-looking, and which sets the tone for the Chamber's position as the voice of business in Saskatchewan. The resulting logo art uses colours and symbolism to represent a mixture of modernity and experience, a variety of audiences on whose behalf the Chamber works, and a feeling of strength, authority, diversity, collaboration, movement and growth.

Along with the new logo comes our new website, streamlined to allow our members easier access to Chamber information and resources. When completed, the searchable policy database will enable viewers to search by subject matter, date or policy sponsor (submitter), see what action has been taken on the policy, and download it as a PDF.

*The
Saskatchewan
Chamber was
honoured
to be asked
to host the
Premier's State
of the Province
Address for
2012.*

Thank You to the 2013 Conference on Business Sponsors!



ANDREW PELLER
— LIMITED —

The Saskatchewan Chamber of Commerce greatly appreciates the contributions of all the 2013 Conference Sponsors, without whose generous, ongoing support the Conference would not be possible.

THE 67th ANNUAL GENERAL MEETING MINUTES

Minutes of the 67th Annual General Meeting of the Saskatchewan Chamber of Commerce held at the Sheraton Cavalier Hotel in Saskatoon on May 10, 2012, at 8:30 a.m.



The 2012 Conference on Business

The Chair, Ms. Pat Friesen presided, and a quorum being present, declared the meeting convened and introduced the head table which included Mr. Bruce Anderson, 2nd Vice Chair; Ms. Marion Ghiglione, 1st Vice Chair; and Mr. Steve McLellan, CEO, Saskatchewan Chamber of Commerce.

On a motion by Mr. John Hopkins, Regina; seconded by Mr. Bruce Anderson, Regina; the 67th Annual General Meeting agenda was approved.

Ms. Pat Friesen presented a detailed overview of the year, including references to the advocacy on issues including the Youth Financial Literacy, rental housing and Venture Capital. Plus, she gave an overview of the On Track Saskatchewan campaign.

Ms. Friesen also mentioned the great strides taken by the Saskatchewan Chamber of Commerce and her appreciation to all of the Committees, Board, Members and Chamber staff.

Annual Report and Minutes

On a motion by Mr. John Hopkins, Regina; seconded by Ms. Marion Ghiglione, Saskatoon; the 2011 Annual Report of the Saskatchewan Chamber of Commerce, which included the Minutes of the 66th Annual Meeting held May 6, 2011 in Regina, was approved.

CEO Report

Mr. Steve McLellan presented a detailed overview of the year as CEO of the Saskatchewan Chamber Commerce, including references to the success of events such as the ABEX Awards and the presenting sponsor Conexus, Political Forum with the Premier and all but two of his cabinet members attending and the Make A Connection Reception.

He spoke on Saskatchewan businesses driving Saskatchewan's prosperity and reported that the work of the Growth Strategy Task Force continues. Mr. McLellan also reported that On Track 2012 was being developed.

Mr. McLellan expressed his appreciation to Ms. Pat Friesen for her commitment and thanked Mr. Richard Ahenakew, Past Chair, for all of his hard work. He also thanked the Board of Directors, Committee members and Chamber staff.



The 2012 ABEX Awards

Nominations

As Chair of the Nominating Committee, Mr. Ted Hillstead described the election process and reported the following results of the Saskatchewan Chamber of Commerce elections for the four open seats on the Board of Directors, each of which with a three year term:

Mr. Darrell Howell, Lloydminster; Mr. Andrew Geary, Regina; Mr. Michael Cossar, Saskatoon; Mr. Cam Cooper, Regina.

Mr. Hillstead reported that these newly elected Directors, along with the four Officers Mr. Fred Titanich, Chair; Ms. Marion Ghiglione, 1st Vice Chair; Mr. Bruce Anderson, 2nd Vice Chair; and Ms. Pat Friesen, Immediate Past Chair; and remaining Directors Ms. Shawna Nelson, Mr. Randy Beattie, Mr. Brian Chalmers, Mr. Lester Lafond and Ms. Patricia Warsaba make up the 13 person Board of Directors.



The Premier's State of the Province Address 2012



2012 Make a Connection Reception

The Elected Directors and Appointed Officers were approved on motion of Mr. Pat Pitka, Saskatoon; seconded by Mr. Lester Lafond, Saskatoon.

Financial Reports

The audited Financial Reports of the Saskatchewan Chamber of Commerce Foundation for the year ending December 31, 2011, were detailed and adopted on motion of Mr. Pat Pitka, Saskatoon; seconded by Mr. Bruce Anderson, Regina.

The audited Financial Reports of the Saskatchewan Chamber of Commerce for the year ending December 31, 2011, were detailed and adopted on motion of Mr. Pat Pitka, Saskatoon;

seconded by Ms. Marion Ghiglione, Saskatoon.

Other Reports and Adjournment

There being no other matters brought forward to the Annual General Meeting, the Chair declared the Business Session adjourned at 9:15 a.m.



2013 Political Forum



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INDEPENDENT AUDITORS' REPORT

To the Members of Saskatchewan Chamber of Commerce

We have audited the accompanying financial statements of Saskatchewan Chamber of Commerce, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the statements of operations, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Chamber of Commerce as at December 31, 2012, December 31, 2011 and January 1, 2011, and its results of operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Accountants

April 12, 2013
Regina, Canada

SASKATCHEWAN CHAMBER OF COMMERCE

Statements of Financial Position

December 31, 2012, December 31, 2011 and January 1, 2011

	December 31, 2012	December 31, 2011	January 1, 2011
Assets			
Current assets:			
Cash	\$ 353,944	\$ 296,764	\$ 163,995
Accounts receivable	35,702	26,073	57,973
Supplies and prepaid expenses	10,665	16,895	15,669
	400,311	339,732	237,637
Investments (note 4)	375,770	375,689	375,614
Capital assets (note 5)	36,834	36,642	43,122
	\$ 812,915	\$ 752,063	\$ 656,373

Liabilities and Net Assets

Current liabilities:			
Accounts payable and accrued liabilities	\$ 33,908	\$ 22,569	\$ 18,483
Deferred revenue	200,580	181,054	184,107
	234,488	203,623	202,590
Net assets:			
Internally restricted (note 7)	144,751	144,751	144,751
Unrestricted	433,676	403,689	309,032
	578,427	548,440	453,783
Commitments (note 9)			
	\$ 812,915	\$ 752,063	\$ 656,373

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

SASKATCHEWAN CHAMBER OF COMMERCE

Statements of Operations

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Membership fees - business	\$ 429,890	\$ 414,579
ABEX Awards - (Schedule 1)	212,586	207,750
Group insurance	121,809	110,452
Conference on Business (Schedule 2)	53,247	64,100
State of the Province Address	38,900	-
Membership fees - local chambers	36,355	37,080
Sharpening Competitive Edge	33,503	-
Interest and other	13,091	14,182
Administrative services	12,487	3,836
Research funding	10,000	-
Publications	9,400	7,400
Make a Connection	8,850	7,825
Political Forum (Schedule 3)	8,500	7,800
Miscellaneous	2,562	3,060
Older Worker's Initiative (Schedule 4)	-	58,371
Trade Team Saskatchewan events	-	8,537
Growth Strategy Task Force	-	13,500
Ontrack Campaign	-	166,600
	991,180	1,125,072
Expenses:		
Salaries and employee benefits	518,915	449,638
ABEX Awards (Schedule 1)	99,832	96,407
Utilities, maintenance, and rent	86,989	82,167
Travel and committee	69,740	61,180
Office and administration	52,879	42,674
Conference on Business (Schedule 2)	30,505	32,596
State of the Province Address	28,517	-
Sharpening Competitive Edge	18,775	-
Professional fees	10,605	19,262
Research	10,135	-
Amortization	9,292	9,968
Ontrack Campaign	8,478	178,710
Political Forum (Schedule 3)	7,237	5,676
Publications	3,648	4,502
Promotion, publicity, and affiliation dues	3,095	4,729
Make a Connection	2,551	3,656
Older Worker's Initiative (Schedule 4)	-	39,250
	961,193	1,030,415
Excess of revenue over expenses	\$ 29,987	\$ 94,657

See accompanying notes to financial statements.

SASKATCHEWAN CHAMBER OF COMMERCE

Statements of Changes in Net Assets

Years ended December 31, 2012 and 2011

	Internally restricted	Unrestricted	Total
Balance, January 1, 2011	\$ 144,751	\$ 309,032	\$ 453,783
Excess of revenue over expenses	-	94,657	94,657
Balance, December 31, 2011	144,751	403,689	548,440
Excess of revenue over expenses	-	29,987	29,987
Balance, December 31, 2012	\$ 144,751	\$ 433,676	\$ 578,427

See accompanying notes to financial statements.

SASKATCHEWAN CHAMBER OF COMMERCE

Statements of Cash Flows

Years ended December 31, 2012 and 2011

	2012	2011
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 29,987	\$ 94,657
Item not involving cash:		
Amortization of capital assets	9,292	9,968
Changes in non-cash operating working capital:		
Accounts receivable	(9,629)	31,900
Supplies and prepaid expenses	6,230	(1,226)
Accounts payable and accrued liabilities	11,339	4,086
Deferred revenue	19,526	(3,053)
	66,745	136,332
Investing:		
Purchase of capital assets	(9,484)	(3,488)
Purchase of investments	(81)	(75)
	(9,565)	(3,563)
Increase in cash	57,180	132,769
Cash, beginning of year	296,764	163,995
Cash, end of year	\$ 353,944	\$ 296,764

See accompanying notes to financial statements.

SASKATCHEWAN CHAMBER OF COMMERCE

Notes to Financial Statements

Years ended December 31, 2012 and 2011

1. Nature of operations:

Saskatchewan Chamber of Commerce (the "Chamber") is incorporated under the *Non-Profit Corporations Act of Saskatchewan*. The Chamber is accordingly exempt from income taxes under Section 149(1)(l) of the *Income Tax Act*. The primary purpose of the Chamber is to be the voice of Saskatchewan business, making Saskatchewan a better place to live, work, and invest.

2. Basis of preparation:

On January 1, 2012, the Chamber adopted Canadian accounting standards for not-for-profit organizations (NPO) in Part III of the CICA Handbook. These are the first financial statements prepared in accordance with NPO.

In accordance with the transitional provisions in NPO, the Chamber has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is January 1, 2011 and all comparative information provided has been presented by applying NPO.

There were no adjustments to net assets as at January 1, 2011 or to excess of revenue over expenses for the year ended December 31, 2011 as a result of the transition to NPO except for the presentation of net assets which were previously disclosed separately as invested in capital assets have now been included in unrestricted net assets.

3. Significant accounting policies:

The Chamber's significant accounting policies are as follows:

(a) Revenue recognition:

The Chamber follows the deferral method of accounting for revenue. Membership fees are collected in advance and are recognized as revenue on a straight line basis over the term of the membership.

(b) 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 Chamber has not elected to carry any such financial instruments at fair value.

SASKATCHEWAN CHAMBER OF COMMERCE

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(b) Financial assets and liabilities (continued):

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 Chamber 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 the Chamber 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.

(c) Capital assets:

Capital assets are initially recorded at cost. Normal maintenance and repairs expenditures are expensed as incurred. Amortization is provided at the annual rates and methods set out below:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	10 to 20%
Computer	Declining balance	30%

Amortization is charged at one half the normal rate in the year of acquisition and at one half the normal rate in the year of disposal.

(d) Use of estimates:

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 date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the amortization of capital assets. Actual results could differ from those estimates.

SASKATCHEWAN CHAMBER OF COMMERCE

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

4. Investments:

Investments are comprised of guaranteed investment certificates that have effective interest rates of 2.00% to 4.40% (2011 - 2.20% to 4.40%) and maturity dates between October 1, 2013 to September 15, 2015 (2011 - September 15, 2012 to September 15, 2015).

5. Capital assets:

				December 31, 2012	December 31, 2011
	Cost	Accumulated amortization		Net book value	Net book value
Furniture and fixtures	\$ 170,966	\$ 147,333	\$	23,633	\$ 26,278
Computer	99,156	85,955		13,201	10,364
	\$ 270,122	\$ 233,288	\$	36,834	\$ 36,642

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$7,105 (2011 - \$6,446) which includes amounts payable for sales taxes and payroll taxes.

7. Restrictions on net assets:

The Board of Directors has internally restricted an amount for future operating needs. The amount is not available for other purposes without the approval of the Board of Directors.

8. Related party transactions:

The Chamber controls the Saskatchewan Chamber of Commerce Foundation (the "Foundation") by virtue of its ability to appoint the Foundation's Board of Directors. The Foundation was established to educate the public on related business issues. The Foundation is incorporated under the Non-Profit Corporations Act of Saskatchewan and is a registered charity under the Income Tax Act. Resources of the Foundation amount to \$30,315 (2011 - \$49,215), of which \$25,000 (2011 - \$25,000) represent internally restricted net assets for the long-term viability of the Foundation.

The net assets and results from operations of the Foundation are not included in the statements of the Chamber. Separate financial statements of the Foundation are available upon request.

During the year, the Chamber had the following transactions with the Foundation:

SASKATCHEWAN CHAMBER OF COMMERCE

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

8. Related party transactions (continued):

	2012	2011
Revenue:		
Growth strategy task force	\$ 5,000	\$ 13,500
Office and administration	1,510	1,500
Project funding	3,210	500
Accounts receivable	15,656	-

9. Commitments:

The Chamber is committed under a lease for office space with annual rental payments over the next five years as follows:

2013	\$ 31,793
2014	31,793
2015	31,793
2016	31,793
2017	31,793

10. Risk management:

Exposure to credit risk and interest rate risk arise in the normal course of the Chamber's business.

Credit risk

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

The Chamber's credit risk is primarily attributable to cash, accounts receivable and investments. 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 Chamber does not have significant exposure to any individual customer and has not incurred any significant bad debts during the year. The credit risk on investments is limited because the counterparties are banks with high credit ratings assigned by national credit rating agencies.

SASKATCHEWAN CHAMBER OF COMMERCE

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

10. Risk management: (continued):

Interest rate risk

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Chamber is exposed to interest rate risk on its investments. This risk is limited due to the maturity of the investments.

SASKATCHEWAN CHAMBER OF COMMERCE

Schedule 1 - ABEX Awards

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Patrons	\$ 143,000	\$ 138,000
Dinner tickets	69,586	69,750
	212,586	207,750
Expenses:		
Banquet	56,245	50,555
Promotion	42,231	43,155
Printing	1,238	1,356
Program administration	118	1,341
	99,832	96,407
Excess of revenue over expenses	\$ 112,754	\$ 111,343

SASKATCHEWAN CHAMBER OF COMMERCE

Schedule 2 - Conference on Business

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Sponsors	\$ 32,697	\$ 40,450
Registrations	20,550	23,650
	53,247	64,100
Expenses:		
Food and beverage	16,090	23,943
Rental	3,972	3,359
Administration, committee and other	3,552	1,828
Printing	989	2,243
Presentations	4,902	1,074
Entertainment	1,000	-
Advertising and promotion	-	149
	30,505	32,596
Excess of revenue over expenses	\$ 22,742	\$ 31,504

SASKATCHEWAN CHAMBER OF COMMERCE

Schedule 3 - Political Forum

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Registrations	\$ 8,500	\$ 7,800
Expenses:		
Banquet and reception	7,237	5,676
Excess of revenue over expenses	\$ 1,263	\$ 2,124

SASKATCHEWAN CHAMBER OF COMMERCE

Schedule 4 - Older Worker's Initiative

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Funding from Manitoba Chamber of Commerce	\$ -	\$ 58,371
	-	58,371
Expenses:		
Coordinator contracts	-	38,850
Miscellaneous	-	400
	-	39,250
Excess of revenue over expenses	\$ -	\$ 19,121



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INDEPENDENT AUDITORS' REPORT

To the Members of Saskatchewan Chamber of Commerce Foundation

We have audited the accompanying financial statements of Saskatchewan Chamber of Commerce Foundation, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, the statements of operations and changes in unrestricted net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Saskatchewan Chamber of Commerce Foundation as at December 31, 2012, December 31, 2011 and January 1, 2011, and its results of operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

KPMG LLP

Chartered Accountants

April 12, 2013
Regina, Canada

SASKATCHEWAN CHAMBER OF COMMERCE FOUNDATION

Statement of Financial Position

December 31, 2012, December 31, 2011 and January 1, 2011

	December 31, 2012	December 31, 2011	January 1, 2011
Assets			
Current assets:			
Cash	\$ 20,761	\$ 24,084	\$ 8,034
Accounts receivable	140	151	278
	20,901	24,215	8,310
Investments (note 4)	25,000	25,000	50,000
	\$ 45,901	\$ 49,215	\$ 58,310

Liabilities and Net Assets

Current liabilities:			
Accounts payable and accrued liabilities	\$ 15,858	\$ -	\$ -
Net assets:			
Internally restricted (note 5)	25,000	25,000	50,000
Unrestricted	5,245	24,215	8,310
	30,245	49,215	58,310
	\$ 45,901	\$ 49,215	\$ 58,310

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

SASKATCHEWAN CHAMBER OF COMMERCE FOUNDATION

Statements of Operations and Unrestricted Net Assets

Years ended December 31, 2012 and 2011

	2012	2011
Revenue:		
Conference auction	\$ 2,485	\$ 4,030
Interest income	514	839
Business mentorship institute	-	1,882
Public contributions	-	500
	3,009	7,331
Expenses:		
Research services	10,619	-
Growth strategy task force	5,000	13,500
Project funding	3,210	500
Office and general	1,510	1,510
Professional fees	1,540	1,430
Donations	100	-
Interest and bank charges	-	88
	21,979	17,028
Deficiency of revenue over expenses	(18,970)	(9,695)
Unrestricted net assets, beginning of year	24,215	8,310
Allocation from internally restricted net assets	-	25,000
Unrestricted net assets, end of year	\$ 5,245	\$ 24,215

See accompanying notes to financial statements.

SASKATCHEWAN CHAMBER OF COMMERCE FOUNDATION

Statements of Cash Flows

Years ended December 31, 2012 and 2011

	2012	2011
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (18,970)	\$ (9,085)
Net change in non-cash operating items:		
(Increase) decrease in accounts receivable	11	125
Increase in accounts payable and accrued liabilities	15,058	-
	(3,303)	(8,970)
Investing:		
Sale of investments	-	25,000
(Decrease) increase in cash	(3,303)	16,030
Cash, beginning of year	24,084	8,034
Cash, end of year	\$ 20,781	\$ 24,084

See accompanying notes to financial statements.

SASKATCHEWAN CHAMBER OF COMMERCE FOUNDATION

Notes to Financial Statements

Years ended December 31, 2012 and 2011

1. Nature of operations:

Saskatchewan Chamber of Commerce Foundation (the "Foundation") is incorporated under *The Non-profit Corporations Act of Saskatchewan*. The Foundation is a charitable organization registered under The Income Tax Act and as such, is exempt from income taxes and able to issue receipts for donations. The primary purpose of the Foundation is to educate the public on related business issues.

2. Basis of preparation:

On January 1, 2012, the Foundation adopted Canadian accounting standards for not-for-profit organizations (NPO) in Part III of the CICA Handbook. These are the first financial statements prepared in accordance with NPO.

In accordance with the transitional provisions in NPO, the Foundation has adopted the changes retrospectively, subject to certain exemptions allowed under these standards. The transition date is January 1, 2011 and all comparative information provided has been presented by applying NPO.

There are no adjustments to net assets as at January 1, 2011 or excess of revenue over expenses for the year ended December 31, 2011 as a result of the transition to NPO.

3. Significant accounting policies:

The Foundation's significant accounting policies are as follows:

(a) Revenue recognition:

The Foundation follows the deferral fund method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

SASKATCHEWAN CHAMBER OF COMMERCE FOUNDATION

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

3. Significant accounting policies (continued):

(b) 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 Foundation 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 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 Foundation determines 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 the Foundation 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.

(c) Use of estimates:

The preparation of the 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 year. Actual results could differ from those estimates.

4. Investments:

Investments are represented by guaranteed investment certificates that have effective interest rates of 1.95% (2011 - 2.1%) and a maturity date of September 17, 2013 (2011 - September 17, 2012).

5. Restrictions on net assets:

The Board of Directors has internally restricted \$25,000 (2011 - \$25,000). The use of these funds is at the discretion of the Board of Directors and is dedicated to the long term viability of the Foundation. Interest earned on the restricted funds may be used for current operations.

SASKATCHEWAN CHAMBER OF COMMERCE FOUNDATION

Notes to Financial Statements (continued)

Years ended December 31, 2012 and 2011

6. Related party transactions:

During the year, the Foundation had the following transactions with Saskatchewan Chamber of Commerce, a party related by way of common control:

	2012	2011
Expenses:		
Growth strategy task force	\$ 5,000	\$ 13,500
Office and administration	1,510	1,500
Project funding	3,210	500
Accounts payable	15,658	-

7. Financial risks:

The Foundation, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and interest rate risk.

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to cash and accounts receivable. The carrying amounts of financial assets on the statement of financial position represent the Foundation's maximum credit exposure at the statement of financial position date.

The Foundation's credit risk is primarily attributable to cash, accounts receivable and investments. 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 Foundation 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 and investments is limited because the counterparties are chartered banks with high credit ratings assigned by national credit rating agencies.

(b) Interest rate risk:

Interest rate risk is the risk that an investment's value will change due to a change in the level of interest rates. The Foundation is exposed to interest rate risk on its investments. This risk is limited due to the maturity of the investments.