

SASKBUILDS CORPORATION

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

MARCH 31, 2015



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of SaskBuilds Corporation, which comprise the statement of financial position as at March 31, 2015, and the statement of operations and accumulated surplus, statement of change in net financial assets, and statement of cash flows for the year then ended, and 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 public sector accounting standards for Treasury Board's approval, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 the auditor's 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, the auditor considers 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of SaskBuilds Corporation as at March 31, 2015, and the results of its operations, changes in its net financial assets, and its cash flows for the for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson, FCPA, FCA
Provincial Auditor

Regina, Saskatchewan
June 10, 2015

Statement 1

SASKBUILDS CORPORATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Due From General Revenue Fund (Note 3)	\$ 4,874,433	\$ 5,353,706
Accounts Receivable	9,743	8,059
GST Receivable	94	156
	<u>4,884,270</u>	<u>5,361,921</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	<u>1,508,207</u>	<u>1,021,844</u>
NET FINANCIAL ASSETS (Statement 3)	<u>3,376,063</u>	<u>4,340,077</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	6,250	-
Tangible Capital Assets (Note 8)	<u>282,961</u>	<u>144,203</u>
	<u>289,211</u>	<u>144,203</u>
ACCUMULATED SURPLUS (Statement 2)	<u><u>\$ 3,665,274</u></u>	<u><u>\$ 4,484,280</u></u>

(See accompanying notes to the financial statements)

APPROVED BY THE BOARD

Honourable Gordon Wyant, Q.C., Chair

Rupen Pandya, President & CEO

Statement 2

SASKBUILDS CORPORATION

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED MARCH 31

	2015 Budget (Note 4)	2015 Actual	2014 Actual
REVENUE			
Transfers from the General Revenue Fund	\$12,075,000	\$ 12,075,000	\$ 8,217,000
Grant Revenue from Ministry of Highways and Infrastructure	-	1,680,000	-
Federal Revenue from PPP Canada	-	496,800	-
Interest Earned (Note 3)	-	54,962	26,777
Miscellaneous Revenue	-	3,666	1,433
	<u>12,075,000</u>	<u>14,310,428</u>	<u>8,245,210</u>
EXPENSES (Note 7)			
Operating	3,475,000	3,427,247	1,853,806
Planning and Procurement	8,600,000	11,702,187	3,391,825
	<u>12,075,000</u>	<u>15,129,434</u>	<u>5,245,631</u>
ANNUAL (DEFICIT) SURPLUS (Statement 3)	<u>\$ -</u>	(819,006)	2,999,579
ACCUMULATED SURPLUS, Beginning of Year		<u>4,484,280</u>	<u>1,484,701</u>
ACCUMULATED SURPLUS, End of Year (Statement 1)		<u>\$ 3,665,274</u>	<u>\$ 4,484,280</u>

(See accompanying notes to the financial statements)

Statement 3

SASKBUILDS CORPORATION

STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED MARCH 31

	<u>2015</u>	<u>2014</u>
ANNUAL (DEFICIT) SURPLUS (Statement 2)	\$ (819,006)	\$ 2,999,579
Acquisition of Prepaid Expenses	(6,250)	-
Acquisition of Tangible Capital Assets (Note 8)	(306,723)	(79,477)
Amortization of Tangible Capital Assets (Note 8)	167,965	50,331
(DECREASE) INCREASE IN FINANCIAL ASSETS	(964,014)	2,970,433
NET FINANCIAL ASSETS, Beginning of Year	<u>4,340,077</u>	<u>1,369,644</u>
NET FINANCIAL ASSETS, End of Year (Statement 1)	<u>\$ 3,376,063</u>	<u>\$ 4,340,077</u>

(See accompanying notes to the financial statements)

Statement 4

SASKBUILDS CORPORATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31

	<u>2015</u>	<u>2014</u>
CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Annual (Deficit) Surplus	\$ (819,006)	\$ 2,999,579
Non-Cash Items		
Amortization of Tangible Capital Assets	167,965	50,331
Net Change in Cash Items		
(Increase) in Accounts Receivable	(1,684)	(2,683)
Decrease in GST Receivable	62	2,135
(Increase) in Prepaid Expenses	(6,250)	-
Increase in Accounts Payable and Accrued Liabilities	486,363	736,769
	<u>(172,550)</u>	<u>3,786,131</u>
CASH (USED IN) CAPITAL ACTIVITIES		
Purchase of Tangible Capital Assets	<u>(306,723)</u>	<u>(79,477)</u>
(DECREASE) INCREASE IN CASH EQUIVALENTS	(479,273)	3,706,654
DUE FROM GENERAL REVENUE FUND, Beginning of Year	<u>5,353,706</u>	<u>1,647,052</u>
DUE FROM GENERAL REVENUE FUND, End of Year (Statement 1)	<u><u>\$ 4,874,433</u></u>	<u><u>\$ 5,353,706</u></u>

(See accompanying notes to the financial statements)

SASKBUILDS CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2015

1. Status of SaskBuilds Corporation

SaskBuilds Corporation was established by Order in Council 550/2012 on October 17, 2012.

SaskBuilds Corporation was created to integrate, coordinate and prioritize infrastructure spending of the Province of Saskatchewan. SaskBuilds provides advice and recommendations for advancing major infrastructure projects through innovative approaches to infrastructure development and alternative financing models such as public-private partnerships. SaskBuilds is a corporate body eligible to receive monies primarily appropriated by the Legislature for these purposes.

Priority Saskatchewan was created as a branch of SaskBuilds in June 2014 and is responsible for leading a coordinated approach to procurement process improvement across government and the Crown sector. This mandate will help ensure Saskatchewan businesses are treated fairly when bidding on government and Crown contracts.

2. Significant Accounting Policies

These financial statements are prepared using Canadian Public Sector Accounting Standards and reflect the following significant accounting principles:

a) Revenue

Revenue is recognized in the period in which the transactions or events occurred that give rise to the revenue. Government transfers are recognized in the period the transfer is authorized and any eligibility criteria is met.

b) Expenses

Expenses represent the cost of resources consumed during the period.

c) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent assets and liabilities at the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the Statement of Operations and Accumulated Surplus in the period in which they become known.

d) Adoption of New Accounting Standards

SaskBuilds did not adopt any new Canadian Public Sector Accounting Standards during this period.

e) Tangible Capital Assets

Tangible capital assets are recorded at cost and are amortized over their useful life once they are in service. Amortization is recorded on a straight line basis as follows:

Leasehold and Occupancy Improvements	lesser of useful life or lease term
Office Furniture and Equipment	5 years

SASKBUILDS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

3. Due from the General Revenue Fund

SaskBuilds' bank account is included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. Interest received of \$54,962 (2014 - \$26,777) was calculated and paid quarterly on SaskBuilds' average daily account balance at a 30 day interest rate with an annual average of 0.92%.

4. Budget Approval

The budget figures are presented for comparison purposes: the SaskBuilds' 2014-15 Budget is per SaskBuilds - Vote 86, and acknowledged by SaskBuilds Board June 18, 2014.

5. Related Parties

These financial statements include routine transactions with related parties. SaskBuilds is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan.

The Ministry of Central Services provides purchasing, risk management, records management and mail distribution to SaskBuilds without charge. The Ministry of Central Services charges accommodation and property management services under a lease agreement.

The Ministry of Central Services, Information Technology Division provides SaskBuilds with information technology services under a service level agreement.

The Public Service Commission provides SaskBuilds with human resource administration and payroll services under a service level agreement.

The Ministry of Highways and Infrastructure provides SaskBuilds with financial and administration services under a service level agreement.

Related party transactions to March 31 include the following:

	2015	2014
Accounts Receivable	9,743	7,171
Accounts Payable and Accrued Liabilities	391,839	254,088
Tangible Capital Assets	193,161	42,962
Revenue	13,809,962	8,243,777
Expenses	2,815,322	275,790

Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, SaskBuilds pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases.

SASKBUILDS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

6. Financial Instruments

SaskBuilds' financial instruments include: Due from the General Revenue Fund, Accounts Receivable, Accounts Payable and Accrued Liabilities. The carrying amount of these instruments approximates fair value due to their short-term nature. These instruments have no material interest or credit risk.

7. Expenses by Object

	2015	2014
a) Operating		
Administration	261,211	128,430
Advertising	7,433	4,337
Amortization	167,965	50,331
Professional Services	169,188	195,547
Rent of Space	299,759	167,616
Salaries and Benefits	2,478,456	1,281,603
Travel	43,235	25,942
	<u>\$ 3,427,247</u>	<u>\$ 1,853,806</u>
	2015	2014
b) Planning and Procurement		
Administration	180,999	30,808
External Professional Services	11,521,188	3,361,017
	<u>\$11,702,187</u>	<u>\$ 3,391,825</u>

8. Tangible Capital Assets

	Furniture & Equipment	Leasehold Improvements	2015 Totals	2014 Totals
Opening Cost	\$ 127,131	\$ 89,146	\$ 216,277	\$ 136,800
Additions during the year	119,091	187,632	306,723	79,477
Closing Cost	<u>246,222</u>	<u>276,778</u>	<u>523,000</u>	<u>216,277</u>
Opening Accumulated Amortization	32,737	39,337	72,074	21,743
Amortization for the year	49,244	118,721	167,965	50,331
Closing Accumulated Amortization	<u>81,981</u>	<u>158,058</u>	<u>240,039</u>	<u>72,074</u>
Net Book Value of Tangible Capital Assets	<u>\$ 164,241</u>	<u>\$ 118,720</u>	<u>\$ 282,961</u>	<u>\$ 144,203</u>