



Annual Report for 2014-15

Table of Contents

- Letters of Transmittal 2
- Introduction 3
- Alignment with Government’s Direction..... 3
- Corporate Overview 4
- Accomplishments 5
- Progress in 2014-15 6
- Management’s Responsibilities 8
- Independent Auditor’s Report..... 9
- 2014 - 15 Financial Overview 10
- For More Information..... 17

Letters of Transmittal



Her Honour, the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report of SaskBuilds Corporation for the fiscal year ending March 31, 2015.

This report details the accomplishments of SaskBuilds within the 2014-15 fiscal period. This report also highlights SaskBuilds' activities to fulfill the Government's commitment to increased accountability, honouring its commitments and responsibly managing expenditures.

Sincerely,



The Honourable Gordon Wyant, Q.C.
Minister Responsible and Chair of SaskBuilds Board

Letters of Transmittal



The Honourable Gordon Wyant, Q.C.
Minister Responsible and Chair of SaskBuilds Board

Dear Sir:

I have the honour of submitting the Annual Report of SaskBuilds Corporation for the fiscal year ending March 31, 2015.

As the President and CEO, I take responsibility for the financial administration and management control of SaskBuilds. Furthermore, I acknowledge my responsibility for this report and provide assurance on the accuracy, completeness, and reliability of the information contained within.

Respectfully submitted,



Rupen Pandya
President and CEO of SaskBuilds

Introduction

This annual report for SaskBuilds presents the Treasury Board Crown Corporation's results on activities and outcomes for the fiscal year ending March 31, 2015. It reports to the public and elected officials on public commitments made and other key accomplishments of the Corporation.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2014-15 Plan. The report also demonstrates progress made on Government commitments in the Government Direction for 2014-15: Steady Growth, the Saskatchewan Plan for Growth – Vision 2020 and Beyond, throne speeches and other commitments and activities of SaskBuilds.

The annual report demonstrates SaskBuilds' commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The Corporation's activities in 2014-15 align with Government's vision and four goals:

Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Meeting the challenges of growth.
- Securing a better quality of life for Saskatchewan people.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

Corporate Overview

Saskatchewan continues to experience remarkable growth, which is placing new pressures on existing infrastructure and creating demand for new public assets such as schools, healthcare facilities, long-term care centres, and transportation infrastructure.

SaskBuilds is meeting these demands by leading long-term capital planning, improving procurement, and delivering critical infrastructure in a cost effective and timely manner.

Vision

SaskBuilds' vision is:
Strategic provincial growth through leadership in infrastructure.

Mission

SaskBuilds' mission is to:
Drive innovation and efficiency in infrastructure planning, procurement, financing, and delivery to derive greater value, timeliness, and accountability for the Saskatchewan people.

Responsibilities

SaskBuilds is responsible for leading long-term capital planning across government to ensure Saskatchewan people have the public infrastructure they need now and in the future. Projects are considered against the province's priorities, including economic growth, population growth, health and safety, and quality of life. SaskBuilds will provide advice and support to ministries and agencies that require guidance to meet their respective goals in this area.

The Corporation is also responsible, through the work of Priority Saskatchewan, for identifying opportunities to improve procurement and implement solutions to ensure competitions are accessible, open, fair, and transparent.

SaskBuilds continues to lead innovation in planning, procurement, and delivery of large and complex infrastructure projects as directed by Government.

Team

In fiscal 2014-15, SaskBuilds had a team of 20 full-time employees operating from its headquarters in Regina. The team engages expert external consultants to provide advice related to its projects.

Stakeholders

To fulfill its mandate, SaskBuilds liaises with businesses and associations that represent all aspects of the infrastructure sector. SaskBuilds also engages with the broader public sector – municipalities, academia, schools, and hospitals – to share knowledge and identify opportunities for collaboration on capital planning and procurement.

Governance

The work of SaskBuilds is led by a Board of Directors comprising seven Members of the Legislative Assembly of Saskatchewan. The current members are:

- Honourable Gordon Wyant, Q.C., Chair
- Honourable Don McMorris, Vice Chair
- Honourable Kevin Doherty¹
- Honourable Nancy Heppner²
- Honourable Jim Reiter³
- Mr. Wayne Elhard, MLA
- Mr. Ken Krawetz, MLA

¹ appointed on May 21, 2015

² appointed on March 25, 2015

³ appointed on October 16, 2014

Accomplishments

Fiscal 2014-15 was a productive year for SaskBuilds as the Corporation made significant progress improving capital planning processes across government, identifying opportunities to improve procurement for ministries and the Crown sector, and advancing work on its portfolio of infrastructure projects. The following provides an overview of the successes achieved in fiscal 2014-15 and a look ahead.

Improved Long-Term Capital Planning

SaskBuilds made important progress on its mandate to lead long-term capital planning and ensure ministries are strategically aligned with Government priorities. In partnership with the Ministry of Finance, SaskBuilds liaised with ministries and led the development of a capital planning framework and manual including tools and templates to support planning.

Further, SaskBuilds collaborated with the Ministry of Finance to align the capital planning process with government-wide strategic planning, reporting and annual budgeting.

SaskBuilds will continue to provide advice and support to ministries and agencies that require guidance to meet their respective goals.

Improved Procurement

Through the work of Priority Saskatchewan, SaskBuilds is leading the implementation of a new Procurement Transformation Action Plan that will markedly improve procurement practices across government and the Crown sector and positively influence procurement in the broader public sector.

The action plan's 13 initiatives are based on the input gathered from more than 140 meetings with industry and government partners including Crowns, municipalities, universities, schools, and health regions.

Once implemented during the 2015-16 fiscal year, the procurement plan will:

- Ensure Saskatchewan businesses are treated fairly and respectfully when bidding on public contracts;
- Bring greater simplicity and consistency to the government and Crown procurement processes; and
- Take steps that drive best value for taxpayers.

Moving forward, Priority Saskatchewan will oversee the implementation of the initiatives and will continue to consult with procurement stakeholders on further opportunities for procurement improvement.

Project Delivery

SaskBuilds achieved another milestone in 2014-15 with the successful completion of procurement on the Province's first P3 project, the Swift Current Long-Term Care Centre. The final value for money assessment determined savings would top \$16 million, or over 13 percent, for Saskatchewan people. Construction on the new long-term care centre began in September 2014 and will be complete in spring 2016. Once complete, the centre will provide a home-like environment for 225 residents and be an integral part of the community.

Procurement is nearing completion for the Government's four active projects: the Regina Bypass, two bundles of joint-use elementary schools (18 schools on nine joint-use sites in total), and the Saskatchewan Hospital North Battleford-Integrated Correctional Facility. Pending continued value for money and final Government approval, SaskBuilds and its ministry and other partners will select private partner teams, finalize contracts, and advance to construction on each project in summer 2015.

Progress in 2014-15

Government Goal: Delivering Responsive and Responsible Government

SaskBuilds Strategy – Improve Capital Planning to Ensure it is Based on Best Practice and Aligns with Government Priorities

Key Actions and Results:

Develop an annual integrated capital plan.

- In partnership with the Ministry of Finance, SaskBuilds co-led the development of an internal integrated capital plan to inform budget decision-making.
- SaskBuilds developed a capital planning framework, manual, and supporting business case templates based on national best practice to provide key tools for ministries. This foundational work will help drive more rigorous and consistent planning across ministries with the objective of:
 - Reducing the number of late delivery and over-budget projects;
 - Developing and implementing a government-wide asset management strategy to address the province's infrastructure deficit; and
 - Tracking and reporting on performance measures, including project outcomes, to ensure continuous improvement and apply lessons learned to future projects.

Develop leading practices for asset management.

- SaskBuilds initiated research on Canadian best practices for asset management and will engage a Capital Planning Community of Practice to ensure continuous improvement in this area.

Performance Measures

Complete integrated capital plan	Ongoing
Develop capital planning framework	Complete
Identify leading practices for asset management	Ongoing

Government Goal: Meeting the challenges of growth

SaskBuilds Strategy – Improve and Deliver Large and Complex Infrastructure Projects Through Innovative Solutions

Key Actions and Results:

Conduct detailed business case analysis of potential projects and lead initial planning.

- SaskBuilds provided procurement advice to ministry partners on several complex traditional procurement projects currently under consideration.
- SaskBuilds successfully led the transition in procurement from Request for Qualifications to Request for Proposals for the Regina Bypass, the Saskatchewan Hospital North Battleford-Integrated Correctional Facility, and the Joint-Use Schools projects.

Provide advice and recommendations for procurement process.

- SaskBuilds is committed to continuous improvement, which includes the ongoing refinement of procurement processes based on experience. An example includes increasing the interaction between proponent teams and government partners, which is leading to further design innovation.
- To ensure the Corporation employs leading best practice, SaskBuilds reviewed expert recommendations received by other Canadian alternative procurement to gauge opportunities for improvement.

Coordinate and manage project delivery through to contract execution.

- SaskBuilds and its partners managed the Swift Current Long-Term Care Centre project from the Request for Proposal stage of procurement to selection of a preferred proponent, finalized project agreement, and the launch of construction during this fiscal year. This is the Province's first P3 project to complete procurement and advance to construction. The P3 approach is generating savings of more than \$16 million, or over 13 percent, for Saskatchewan taxpayers and is on-schedule for completion in spring 2016.

Oversee construction and provide long-term asset oversight.

- SaskBuilds continues to monitor progress on the construction of the Swift Current Long-Term Care Centre, which completed its seventh month of construction as of March 31, 2015.
- SaskBuilds provided advance training and support to the Cypress Health Region to ensure a smooth transition of responsibility for contract management once construction is complete.

Performance Measures

Assess candidate projects for alternative procurement through detailed business case development	Ongoing
On-time and on-budget delivery of all projects led by SaskBuilds	Ongoing

Government Goal: Meeting the challenges of growth

SaskBuilds Strategy – Improve Government and Crown Procurement Using International and National Best Practice

Key Actions and Results:

Engage industry and procurement stakeholders to build relationships and gather input.

- SaskBuilds, through Priority Saskatchewan, met with more than 140 industry and government partners to identify opportunities to improve public sector procurement practices.
- The team participated in key procurement events including two government-hosted business expos and industry association meetings to engage with partners and share knowledge.

Develop and Implement the Procurement Transformation Action Plan.

- Priority Saskatchewan developed and launched the Procurement Transformation Action Plan on March 27, 2015. The plan’s innovative approach is based on stakeholder input and national and international best practices.
- Priority Saskatchewan is overseeing the cross-government and Crown sector implementation of the Action Plan’s 13 initiatives.

Seek opportunities for continuous procurement improvement.

- The team researched national and international best practices in procurement to determine where there were opportunities for improvement. Priority Saskatchewan will continue to monitor national best practices as a means of identifying opportunities for ongoing improvement.
- Priority Saskatchewan met extensively with industry and the broader public sector to identify opportunities to improve procurement practices. The team continues to engage with stakeholders on implementing solutions and areas for further improvement.

Performance Measures

Develop a procurement transformation action plan	Complete
Implement the transformation action plan	Ongoing
Engage with government partners and procurement stakeholders	Ongoing

Management's Responsibilities

The accompanying financial statements, and related financial information throughout the Annual Report, have been prepared by management in accordance with Canadian public sector accounting standards. Management is responsible for the integrity, objectivity and reliability of the financial statements. The preparation of the statements necessarily includes some amounts which are based on the best estimates and judgments of management.

SaskBuilds' management has established and maintains a system of internal controls that provides reasonable assurance that transactions are recorded and executed in compliance with legislation and authority; assets are safeguarded; there is an effective segregation of duties and responsibilities; and, reliable financial records are maintained.

The Provincial Auditor has audited SaskBuilds' financial statements and conducted a review of internal accounting policies and procedures to the extent required to enable them to express an opinion on the fairness of presentation of SaskBuilds' financial statements.

The Board of Directors of SaskBuilds is responsible for overseeing management's performance of its financial responsibilities and has reviewed and approved these financial statements.

A handwritten signature in black ink, appearing to read 'T. Florizone', with a long horizontal flourish extending to the right.

Teresa Florizone, CPA, CMA
Vice President Corporate Services and Chief Financial Officer



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

2014 - 15 Financial Overview

Statement 1

Statement of Financial Position

As at March 31

	2015	2014
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
	4,884,270	5,361,921
Liabilities		
Accounts Payable and Accrued Liabilities	1,508,207	1,021,844
Net Financial Assets (Statement 3)	3,376,063	4,340,077
Non-Financial Assets		
Prepaid Expenses	6,250	-
Tangible Capital Assets (Note 8)	282,961	144,203
	289,211	144,203
Accumulated Surplus (Statement 2)	\$ 3,665,274	\$ 4,484,280

(See accompanying notes to the financial statements)

Approved by the Board:



Honourable Gordon Wyant, Q.C.
Chair



Rupen Pandya
President & CEO

2014 - 15 Financial Overview

Statement 2

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
	12,075,000	14,310,428	8,245,210
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
	12,075,000	15,129,434	5,245,631
Annual (Deficit) Surplus (Statement 3)	-	(819,006)	2,999,579
Accumulated Surplus, Beginning of Year		4,484,280	1,484,701
Accumulated Surplus, End of Year (Statement 1)		\$ 3,665,274	\$ 4,484,280

(See accompanying notes to the financial statements)

2014 - 15 Financial Overview

Statement 3

Statement of Change in Net Financial Assets

For the year ended March 31

	2015	2014
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	4,340,077	1,369,644
Net Financial Assets, End of Year (Statement 1)	\$ 3,376,063	\$ 4,340,077

(See accompanying notes to the financial statements)

2014 - 15 Financial Overview

Statement 4

Statement of Cash Flows

For the year ended March 31

	2015	2014
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
	(172,550)	3,786,131
Cash (used in) Capital Activities		
Purchase of Tangible Capital Assets	(306,723)	(79,477)
(Decrease) Increase in Cash Equivalents	(479,273)	3,706,654
Due from General Revenue Fund, Beginning of Year	5,353,706	1,647,052
Due from General Revenue Fund, End of Year (Statement 1)	\$ 4,874,433	\$ 5,353,706

(See accompanying notes to the financial statements)

2014 - 15 Financial Overview

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

2014 - 15 Financial Overview

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.

2014 - 15 Financial Overview

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
	\$ 3,427,247	\$ 1,853,806
b) Planning and Procurement		
Administration	\$ 180,999	\$ 30,808
External Professional Services	11,521,188	3,361,017
	\$ 11,702,187	\$ 3,391,825

8. Tangible Capital Assets

	Furniture & Equipment	Leasehold Improvements	2015	2014
Opening Cost	\$ 127,131	\$ 89,146	\$ 216,277	\$ 136,800
Additions during the year	119,091	187,632	306,723	79,477
Closing Cost	246,222	276,778	523,000	216,277
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	81,981	158,058	240,039	72,074
Net Book Value of Tangible Capital Assets	\$ 164,241	\$ 118,720	\$ 282,961	\$ 144,203

For More Information

If you have questions or comments, please contact SaskBuilds by phone (306) 798-8014 or by email to saskbuilds@gov.sk.ca.

SaskBuilds
720-1855 Victoria Avenue
Regina, Saskatchewan
Canada
S4P 3T2

Please visit our website at www.saskbuilds.ca for more about SaskBuilds.

