

GLOBAL TRANSPORTATION HUB



Annual Report for 2013-14

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This annual report is also available online at thegth.com

Letters of Transmittal



July, 2014

Her Honour, The Honourable Vaughn Solomon Schofield
Lieutenant Governor, Province of Saskatchewan
4607 Dewdney Avenue
Regina SK S4T 1B7

May it Please Your Honour:

I respectfully submit the Annual Report of the Global Transportation Hub (GTH) for the fiscal year ending March 31, 2014. The GTH has steadfastly proven to be one of the most significant distribution and logistics developments in our country.

One of the provincial government's priorities is sustaining growth and opportunities for Saskatchewan people. The GTH is doing just that with more than \$485 million in private investment and over 730 full time jobs being created. Through the attraction of new investment and the provision of enhanced global supply chains for Saskatchewan importers and exporters, the GTH is serving to fuel the continued growth and strength of the Saskatchewan economy.

This report details the operation of the GTH within the 2013-14 fiscal year. The report also highlights activities of the GTH that ensure alignment with the Government of Saskatchewan's vision and Plan for Growth.

I have reviewed and accept responsibility for this report and offer assurance for the accuracy and reliability of the enclosed information.

A handwritten signature in black ink that reads "Bill Boyd". The signature is written in a cursive, flowing style.

Bill Boyd
Minister Responsible for and Chair
Global Transportation Hub

Letters of Transmittal



July, 2014

It is a privilege to submit the following annual report as a summary of the Global Transportation Hub (GTH), western Canada's newest, fastest-growing inland port authority. As the agency responsible for planning, developing, constructing, regulating and promoting the 1700 acre development, we are honoured to be a part of this exciting economic initiative for the province of Saskatchewan.

In 2013-14, the GTH recorded its most successful year exceeding our projected budget forecast. This was due in large part to two major clients announcing plans to build at the GTH and becoming part of our exciting transportation and logistics development.

The GTH, located just west of Regina, offers land for sale or lease to companies in the following business areas: transportation & logistics, warehousing & distribution, as well as light processing and manufacturing. We actively work to develop global relationships that assist Saskatchewan producers in accessing supply chains for their products.

The ability to expeditiously meet clients' needs and drive return on invested capital for clients was further enhanced in August 2013 when the Government of Saskatchewan proclaimed *The Global Transportation Hub Authority Act*. With this legislation, the GTH can now create and oversee its own land-use guidelines and has the ability to serve as a single point of contact for our clients – this autonomy serves as a true differentiator from all other inland ports or logistics hub environments.

I am confident of the accuracy, completeness and reliability of the information contained in this annual report. The management team at the GTH has ensured there are adequate controls in place over financial and operational information and processes.

In closing, I would like to thank all the management team, all the GTH employees, and our incredible board of directors for their contributions over the past year. Your hard work is helping drive economic prosperity in Saskatchewan.

A handwritten signature in black ink, appearing to read 'B. Richards', written over a horizontal line.

Bryan Richards,
President and Chief Executive Officer
Global Transportation Hub

Introduction

The 2013-14 annual report of the Global Transportation Hub (GTH) represents activities and outcomes for the fiscal year ending March 31, 2014.

The GTH has been operating since January 1, 2010, and this is the fourth annual report based on a full-year of operation for the GTH.

The contents of this report focus on the 2013-14 fiscal year and demonstrate the GTH's commitment to report on performance, be transparent and be accountable to the public.

Management Discussion & Analysis

Alignment with Government's Direction

The GTH's mandate is to support the economic and social development of Saskatchewan by planning, developing, constructing, managing, regulating, operating, marketing and promoting a competitive, economic, integrated and efficient transportation logistics hub. Through a dedicated focus on fulfilling the mandate, the GTH can create a competitive operating environment to attract new business and positively affect the Saskatchewan Plan for Growth.

About the Authority

To ensure the success of the GTH, the government of Saskatchewan created the operating statutory crown corporation in 2009 to advise, plan, develop, construct, operate, manage and market the Hub.

Bill 81 - The Global Transportation Hub Authority Act was introduced in the legislature in December 2012 and was passed and proclaimed as of August 2013. Through this legislation, the GTH now has responsibility for the management of its infrastructure and must implement and manage new business processes and servicing contracts that were previously under the jurisdiction of other entities.

The GTH does not receive appropriated funding from the General Revenue Fund but rather, generates revenue from its land sales and management to maintain the infrastructure and contribute to the ongoing operating costs of the Authority.

To date, the GTH has seven clients including key anchor tenants, Canadian Pacific and its 300-acre intermodal facility and Loblaw, which has invested about \$250 million in its one million square foot warehouse and distribution facility.

The GTH is led by a "blue chip" board of directors with experience and expertise in all facets related to its operations including transportation, logistics, supply chain management, international markets and finance.

The GTH provides a world-class infrastructure to allow efficient and effective movement of goods by rail and truck. Centrally located between the coasts of Canada and along the North American Super Corridor connecting Canada, the United States and Mexico, the GTH is ideally situated for companies that require quick turnaround and efficient transportation to markets across the globe. The GTH offers:

- The most competitively-priced land in western Canada
- Greenfield build opportunities
- A logistically superior design for maximum efficiency of truck movement

Progress in 2013-14

The past fiscal year was both busy and successful. Highlights include:

- In mid-April, Morguard Investments Ltd, one of Canada's leading real estate companies announced it had signed an agreement with the GTH to build leased facilities for the transportation and distribution sector. The deal included 50 acres of land in 2013, another 50 acres in 2014 and an option for additional land in future years. Morguard made the purchase on behalf of its pension fund client, Healthcare of Ontario Pension Plan (HOOPP). The official name of the initial development phase at the GTH is TransLink Logistics Centre. Morguard has partnered with Avison Young in Regina to manage leasing opportunities for the multi-tenant leed-certified buildings.
- In August, Bill No. 81 – *The Global Transportation Hub Authority Act* – was proclaimed and established the GTH as the only autonomous and self-governing inland port authority in Canada. Under the new legislation, the GTH assumed responsibility for its own land use planning and development regulations, governance structure, sub-division approvals, permitting and enforcement services. Through its property tax revenue, the GTH can ensure sustainable client service levels and maintain infrastructure standards.
- Also in August, Bryan Richards was appointed President and CEO of the GTH. Bryan is a recognized Saskatchewan business leader with a career that spans three decades in the transportation industry. He is well suited for his role with the GTH given his vast knowledge, experience and network ties with senior supply chain circles in North America.
- In August, Emterra, the city of Regina's curb side recycling contractor opened the doors to its \$18 million sorting complex at the GTH. Emterra purchased 13-acres at the GTH earlier in the year to build its flagship recycling and waste management centre. Emterra was awarded a 10-year contract by the city of Regina in 2012.
- In October, the new \$43 million overpass at Hwy 1 and the West Regina Bypass opened to traffic. The GTH and Ministry of Highways (MHI) continue to work closely together to plan and expedite the development of the West Regina Bypass which will provide free flow access to clients of the GTH.
- The Saskatchewan Liquor and Gaming Authority (SLGA) broke ground in November on its new 145,000 sq.ft. warehouse which is expected to be operational in the spring of 2015. SLGA announced in March that it purchased a 15-acre parcel from the GTH for its new warehouse and distribution centre. Locating at the GTH takes advantage of the extensive truck and transport requirements at the SLGA, which facilitates importing products from around the globe.

- In December, SaskPower announced plans to develop 494,000 square feet of property at the GTH including a logistics warehouse complex, as well as industrial buildings with shops, warehouses, storage and maintenance areas. SaskPower purchased 145 acres of land at an approximate cost of \$25 million. Nearly 1,100 SaskPower employees will work at the new site, which is expected to be completed sometime in 2018. Construction is expected to begin in October 2015.
- The GTH has begun preliminary planning for the development of a commercial services centre at the northeast corner of the footprint. Phase 1 would consist of approximately 15 acres of land. The GTH has selected private-sector partners through an open expression of interest process. The primary purpose of the commercial area is to provide a safe, welcoming and reliable truck staging/parking area to support the ever-increasing traffic and 4,600 large semi-truck movements in and out of the GTH every week. To accompany the parking, priority services for truck drivers and GTH users will include food, rest and fueling related services.

Board of Directors

The GTH is guided by a “blue chip” board of directors, with experience and expertise in all facets related to its operations. The GTH is being developed to be an innovative and integrated global transportation and logistics hub that provides a positive investment and operating environment for its clients.

Board members as of March 31, 2014:

Honourable Bill Boyd, Chair – As the Minister Responsible for the Global Transportation Hub, Minister Boyd’s mandate is to ensure economic growth in the province continues and that the government is meeting both the challenges and the opportunities of an expanding province. In addition to his responsibility for the GTH, he also serves as Minister of the Economy and Minister Responsible for SaskPower.

Captain Gordon Houston, Vice-Chair – Captain Houston, is the former President and CEO of Port Metro Vancouver, the biggest port operation in Canada. Captain Houston is among the most senior authorities on port and supply chain logistics in Canada and has worked extensively with Saskatchewan exporters during his tenure. He has been involved in the marine-land transportation business for 48 years, including a 24-year sea-going career which started when he was 16.

Terry Baker – Mr. Baker is the President of Franklin Land & Cattle Co., a century old mixed farm located in West Central Sask. A non-practicing Civil Engineer, he was the former Chair of the Saskatchewan Wheat Pool, the founding Chair of Viterra, and the former chair for the Saskatchewan Health Research Foundation. Mr. Baker has recently been appointed as Chair of Agrivita, Canada's national not-for-profit corporation promoting health and safety research and its effective application to the agricultural sector.

Lionel LaBelle – Mr. LaBelle has an extensive entrepreneurial background having assumed a leadership and ownership role in a cross-section of public and private corporations focused on agribusiness, construction and manufacturing. Most recently, he was President and CEO of the Saskatchewan Trade and Export Partnership (STEP), a member-based public/private partnership focused on assisting Saskatchewan exporters in national and international markets. Mr. LaBelle continues to sit on the SaskWater Corporation board as well as a member of the Premier’s Asian Advisory Council.

Louis Ranger – Mr. Ranger earned his outstanding reputation in Canadian and global transportation issues as the Government of Canada’s Deputy Minister of Transportation and Infrastructure over the better part of the last decade. He has more than 30 years experience in the transportation industry and has worked for the federal government in increasingly senior roles related to transportation and infrastructure since 1974.

Mayo Schmidt – Mr. Schmidt served as President, CEO and Director at Viterra, one of the largest shippers and integrated agriculture export firms in Canada. During his tenure, Viterra grew to operate in 50 countries with 500+ assets and 17 ports. He has been recognized in the Financial Post's Top 10 CEO Scorecard Rankings, as CEO of the Year by Canadian Business Magazine, as well as being awarded the Saskatchewan Centennial Medal. Mr. Schmidt also serves as a Director of Agrium Inc.

Marcella Szel, Q.C. – As the former Senior Vice-President of Sales and Marketing for Canadian Pacific (CP), Ms. Szel brings more than 30 years management, corporate and legal experience in the transportation industry to the GTH. She is also the former Chair of the Western Transportation Advisory Council and immediate past director and vice chair of the Port Metro Vancouver. She was recently appointed by the Minister of Transport as an advisor for the review of the Canada Transportation Act.

Board member update as of June 30, 2014:

On June 13, 2014, the GTH was pleased to announce two additions to its board of directors:

Barry Goldberg - Mr. Goldberg is a managing director and the global head of mergers, acquisitions and restructuring with Canaccord Genuity Corp, a leading global financial services firm. Mr. Goldberg was also a founding principal of Genuity Capital Markets where he helped lead some of the country's largest and most complex corporate financial restructuring transactions. In addition to his global perspective on capital market banking, Mr. Goldberg has financial advisory experience for a range of industries including agriculture, forestry, oil and gas, steel, mining, and a variety of consumer products.

David Watson – Mr. Watson is a retired shipping executive for a large integrated international container transportation, logistics and terminal company. His tenure with Orient Overseas Container Line (OOCL) and associated companies saw him in numerous senior executive management positions in Canada, Hong Kong, Australia and Europe with extended experience covering the Trans-Atlantic and Trans Pacific trade. His experience and network of contacts with freight forwarding and global supply chain logistics will be of particular benefit to the GTH.

Management's Responsibility for the Financial Statements

Management of the Global Transportation Hub (GTH) is responsible for the accompanying financial statements. The GTH maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance transactions are authorized, assets are safeguarded, and financial records are maintained.

Management of the GTH prepares these statements in accordance with Canadian Public Sector Accounting Standards, using management's best estimates and judgment when appropriate.

The GTH's external auditor, Deloitte LLP, expresses an independent opinion on these statements. Their report provides the scope of their audit and states their opinion.

The Board of Directors of the Global Transportation Hub approves the financial statements and the financial statements are tabled in the Legislative Assembly.

On behalf of the Global Transportation Hub,



Bryan Richards,
President and Chief Executive Officer



Matthew Schroeder
Vice-President, Finance

July 14, 2014
Regina, Saskatchewan



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To the Members of the Legislative Assembly of Saskatchewan

We have audited the accompanying financial statements of the Global Transportation Hub Authority, which comprise the statement of financial position as at March 31, 2014, and the statement of revenues, expenses and change in accumulated surplus, statement of change in net financial assets and the 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, 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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.

We believe that the audit evidence we have obtained 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 the Global Transportation Hub Authority as at March 31, 2014, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

June 11, 2014
Regina, Saskatchewan

Statement 1

**GLOBAL TRANSPORTATION HUB AUTHORITY
STATEMENT OF FINANCIAL POSITION**

As at March 31, 2014

(thousands of dollars)

	<u>2014</u>	<u>2013</u>
Financial assets		
Cash	\$ 546	\$ 72
Accounts receivable	2,636	842
	<u>3,182</u>	<u>914</u>
Liabilities		
Accounts payable	7,347	5,846
Customer deposit	117	-
Deferred revenue	85	-
Term debt (note 5)	20,000	21,500
	<u>27,549</u>	<u>27,346</u>
Net financial liabilities	<u>(24,367)</u>	<u>(26,432)</u>
Non financial assets		
Prepaid expenses	160	178
Inventory of land	20,018	4,682
Tangible capital assets (note 9)	23,433	22,641
	<u>43,611</u>	<u>27,501</u>
Accumulated surplus (Statement 2)	<u>\$ 19,244</u>	<u>\$ 1,069</u>

(See accompanying notes to the financial statements)

APPROVED BY THE BOARD

 Chairman, Finance & Audit Committee

 Director

Statement 2**GLOBAL TRANSPORTATION HUB AUTHORITY
STATEMENT OF REVENUE, EXPENSES AND CHANGE IN ACCUMULATED SURPLUS
For the Year Ending March 31, 2014**
(thousands of dollars)

	2014 Budget (Note 4)	2014	2013
Revenue			
Land sales (Note 8)	\$ 8,900	\$ 36,912	\$ 6,196
Property tax revenues	793	818	-
Permits & fees	-	132	-
Other revenue	-	965	1,101
	<u>9,693</u>	<u>38,827</u>	<u>7,297</u>
Expenses (Note 11)			
Land & development costs	1,090	14,956	2,869
Professional services	637	815	898
Operating expenses	5,827	4,881	3,294
	<u>7,554</u>	<u>20,652</u>	<u>7,061</u>
Annual surplus	<u>2,139</u>	<u>18,175</u>	<u>236</u>
Accumulated surplus, beginning of year	2,535	1,069	833
Accumulated surplus, end of year (Statement 1)	<u>\$ 4,674</u>	<u>\$ 19,244</u>	<u>\$ 1,069</u>

(See accompanying notes to the financial statements)

Statement 3**GLOBAL TRANSPORTATION HUB AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS****For the Year Ending March 31, 2014**

(thousands of dollars)

	2014 Budget (Note 4)	2014	2013
Annual Surplus	\$ 2,139	\$ 18,175	\$ 236
Acquisition of tangible capital assets	-	(1,323)	(22,868)
Amortization of tangible capital assets	-	531	237
		<u>17,383</u>	<u>(22,395)</u>
Purchase of inventory of land	-	(22,495)	(4,682)
Sale of inventory of land	-	7,159	-
Sale (purchase) of prepaid expenses	-	18	(143)
		<u>2,065</u>	<u>(27,220)</u>
Increase (decrease) in net financial assets	-	2,065	(27,220)
Net financial (liabilities) assets – beginning of year	-	<u>(26,432)</u>	788
Net financial liabilities – end of year	<u>\$ -</u>	<u>\$ (24,367)</u>	<u>\$ (26,432)</u>

(See accompanying notes to the financial statements)

Statement 4

**GLOBAL TRANSPORTATION HUB AUTHORITY
STATEMENT OF CASH FLOWS**

For the Year Ending March 31, 2014

(thousands of dollars)

	<u>2014</u>	<u>2013</u>
Cash flows from operations		
Annual surplus	\$ 18,175	\$ 236
Non-cash items in annual surplus		
Amortization expense	531	237
Changes in working capital		
Accounts receivable	(1,794)	(437)
Inventory	(15,336)	(4,682)
Accounts payable	1,501	3,235
Customer deposit	117	-
Deferred revenue	85	-
Prepaid expenses	18	(143)
	<u>3,297</u>	<u>(1,554)</u>
Cash flows used in capital activities		
Purchase of tangible capital assets	(1,323)	(22,868)
	<u>(1,323)</u>	<u>(22,868)</u>
Cash flows from financing activities		
(Repayment) proceeds from term debt	(1,500)	21,500
	<u>(1,500)</u>	<u>21,500</u>
Total cash inflows (outflows) during year	474	(2,922)
Cash, beginning of year	72	2,994
Cash, end of year	<u>\$ 546</u>	<u>\$ 72</u>
Interest paid	\$ 620	\$ 278

(See accompanying notes to the financial statements)

Global Transportation Hub Authority

Notes to the Financial Statements

As at March 31, 2014

1. Status of Global Transportation Hub Authority

The Global Transportation Hub Authority (the "GTHA") was established as a Treasury Board Crown corporation by Order in Council 492/2009 dated June 24, 2009. Effective August 6, 2013 the *Global Transportation Hub Authority Act* was passed and gives the GTHA authority over land use, planning and regulation, infrastructure asset ownership and rights to property taxes.

The GTHA holds a mandate to advise on, plan, develop, construct, operate, manage, and promote Saskatchewan's Global Transportation Hub in a manner that:

- creates an investment and operating environment for business that is secure, efficient, coordinated, and orderly; and,
- is consistent with the social and economic development of the province.

2. Adoption of New Accounting Standards

PS 3260 – Liability for Contaminated Sites is effective for annual periods beginning on or after April 1, 2014 and has not been applied in preparing these financial statements. The extent of the impact on adoption of this standard is not known at this time.

3. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the GTHA is classified as an other government organization. These financial statements are prepared using Canadian public sector accounting standards. The statement of re-measurement gains and losses has been omitted as there were no relevant transactions to report.

The following policies are considered significant:

a) Revenue

Land sales are recognized as revenue when the risk and rewards of ownership are transferred and the amount can be reasonably estimated and collectability is reasonably assured. Property tax revenues are recognized as they are earned. Interest, permit and other revenue is recognized as revenue in the year it is earned. Grant revenues are recognized when authorized and any eligibility criteria are met. Deferred revenue relates to building and development permits, is billed at the outset of construction and is recognized into revenue as the permitting process occurs throughout construction.

b) Land and Development Costs

Land and development cost expense are recognized in the year that the associated land sales revenue is recognized.

The cost of land sales relate to the initial cost of purchasing and grading costs directly associated with the land sold. Costs related to land development for roads, undergrounds and other infrastructure constructed on common lands are capitalized and amortized over their useful life.

**Global Transportation Hub Authority
Notes to the Financial Statements
As at March 31, 2014**

3. Significant Accounting Policies (continued)

c) Inventory of Land

Inventory of Land Inventory consists of the costs of acquiring land held for sale and grading and municipal reserve costs incurred on any land to be sold. All inventories are held at the lower of cost or net realizable value. Land is held for sale in future periods.

d) Tangible Capital Assets

Tangible capital assets are recorded at cost. Normal maintenance and repairs are expensed as incurred. Tangible capital assets, with a life exceeding one year, are amortized on a straight-line basis over their estimated useful lives as follows:

Roadways	40 years
Undergrounds	75 years
Storm water management	100 years
Fixtures and equipment	1 – 20 years

Leasehold improvements are amortized over the remaining lease period.

e) Pensions

GTHA employees participate in the Public Employees' Pension Plan (PEPP) which is a defined contribution pension plan. The GTHA follows defined contribution plan accounting for its participation in the plan. Accordingly, the GTHA expenses all contributions (7.25% of employee salaries) it is required to make in the year.

f) 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 date of the financial statements and 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 Revenue, Expenses and Change in Accumulated Surplus in the period in which they become known.

g) Financial Instruments

All financial instruments are measured at amortized cost.

4. Budget Approval

The budget figures are presented for comparison purposes. The GTHA's 2013-14 budget was approved by the Board of Directors on November 22, 2012.

**Global Transportation Hub Authority
Notes to the Financial Statements
As at March 31, 2014**

5. Term Debt

	<u>2014</u>	<u>2013</u>
	(Thousands of Dollars)	
Royal Bank Loan with interest at prime rate less .37%	\$ 20,000	\$21,500

The loan is repayable in full on the earlier of receipt of the net proceeds on sale of developed land or April 30, 2014.

2015 \$ 20,000

A line of credit operating loan (\$10 million at prime rate less .50%) has been negotiated. No amount is outstanding as at March 31, 2014 (March 31, 2013 – nil). Prime rate at March 31, 2014 is 3.0% (March 31, 2013 – 3.0%).

6. Related Parties (thousands of dollars)

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

The Ministry of Highways and Infrastructure provided management and administrative services and the Information Technology Division of the Ministry of Central Services provided information technology services to GTHA in 2013-14 under Service Level Agreements.

Related party transactions to March 31, 2014 include the following:

<u>Expenses</u>	<u>2014</u>	<u>2013</u>
Crown Investments Corporation of Saskatchewan	\$ 94	\$ -
Ministry		
of Central Services	95	423
Ministry of Finance	41	379
Ministry of Highways and Infrastructure	7,840	2,588
Ministry of Justice	3	-
Ministry of The Economy	49	67
Provincial Public Safety Telecommunications Network	1	-
SaskEnergy	158	114
SaskPower	44	498
SaskTel	22	28
Total:	\$ 8,347	\$ 4,097

Global Transportation Hub Authority
Notes to the Financial Statements
As at March 31, 2014

6. Related Parties (continued)

Revenue	2014	2013
Ministry of The Economy	\$ 12	\$ -
Ministry of Highways and Infrastructure	3,730	-
Saskatchewan Liquor and Gaming Authority	54	2,425
SaskPower	24,795	-
Total	\$ 28,591	\$ 2,425

Accounts Receivable	2014	2013
Ministry of Highways and Infrastructure	\$ 1,862	\$ 1
Ministry of The Economy	-	69
Total	\$ 1,862	\$ 70

Prepaid Expenses	2014	2013
Ministry of Central Services	\$ 115	\$ 161

Deferred Revenue	2013	2012
Saskatchewan Liquor and Gaming Authority	\$ 60	\$ -

Accounts Payable	2014	2013
Ministry of Central Services	\$ 6	\$ 70
Ministry of Highways and Infrastructure	3,277	300
Ministry of The Economy	23	21
SaskEnergy	-	30
SaskPower	2,131	-
SaskTel	-	2
Total	\$ 5,437	\$ 423

Other transactions with related parties and related amounts due to/from are described separately in the financial statements and the notes thereto. Routine operating transactions with related parties are recorded at the rates charged by those organizations and are settled on normal trade terms. In addition, the GTHA pays Provincial Sales Tax on all its taxable purchases.

Global Transportation Hub Authority
Notes to the Financial Statements
As at March 31, 2014

7. Contractual Obligations

Contractual obligations include (thousands of dollars):

	2014	2013
KPCL (Grading Contractor)	\$ 448	\$ 870
ASL Paving	-	341
ATCO	30	56
Ministry of Central Services	-	50
Personal Services	-	41
SaskEnergy	74	201
Stantec Engineering	877	227
Associate Engineering	53	190
Total	\$ 1,482	\$ 1,976

Contractual obligations do not include those contracts which are paid on a usage basis.

8. Land Sales

The GTHA received this revenue in 2013-14 pursuant to land sale agreements.

9. Tangible Capital Assets (thousands of dollars)

	Net Book Value, beginning of year	Cost, beginning of year	Additions	Cost, end of year
Leasehold Improvements	\$ 48	\$ 117	-	\$ 117
Roadways	12,407	12,538	672	13,210
Undergrounds	8,246	8,292	302	8,594
Storm water management	1,676	1,685	247	1,932
Fixtures and equipment	264	282	102	384
	\$ 22,641	\$ 22,914	\$ 1,323	\$ 24,237

	Accumulated Amortization, beginning of year	Amortization, current year	Accumulated Amortization, end of year	Net Book Value, end of year
Leasehold Improvements	\$ 69	\$ 39	\$ 108	\$ 9
Roadways	131	322	453	12,757
Undergrounds	46	112	158	8,436
Storm water management	9	18	27	1,905
Fixtures and equipment	18	40	58	326
	\$ 273	\$ 531	\$ 804	\$ 23,433

**Global Transportation Hub Authority
Notes to the Financial Statements
As at March 31, 2014**

10. Financial Instruments (thousands of dollars)

The GTHA's financial assets consist of cash and accounts receivable which are measured at amortized cost. Financial liabilities consist of accounts payable, customer deposits, deferred revenue and debt which are measured at amortized cost.

Financial risk management

The Board of Directors ensures that the GTHA has identified its major risks and ensures that management monitors and controls them. The Board of Directors oversees the GTHA's systems and practices of internal control, and ensures that these controls contribute to the assessment and mitigation of risk.

The GTHA has exposure to the following risks from its use of financial instruments: credit risk, interest rate risk and liquidity risk.

a) Credit risk

The GTHA is exposed to credit risk from the potential non-payment of accounts receivable. The GTHA's receivables are primarily from the companies who have purchased land or property tax revenues receivable.

The carrying amount of accounts receivable represents the maximum credit exposure as follows:

	2014	2013
Accounts receivable	\$ 2,636	\$ 842

The GTHA manages its credit risk surrounding accounts receivable by dealing solely with reputable customers.

b) Interest rate risk

Financial liabilities with variable interest rates expose the GTHA to cash flow interest rate risk. The GTHA's debt outstanding as at March 31, 2014 has a variable interest rate.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

As at March 31, 2014 had prevailing interest rates increased or decreased by 1% it would result in a change in annual interest payments of \$200.

c) Liquidity risk

Liquidity risk is the risk that the GTHA will not be able to meet its financial obligations as they become due.

The GTHA manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities.

At March 31, the GTHA has a cash balance of \$546 (2013 - \$72).

**Global Transportation Hub Authority
Notes to the Financial Statements
As at March 31, 2014**

11. Expenses by Object

	2014 Budget	2014	2013
Salaries & benefits	\$ 1,858	\$ 1,719	\$ 1,352
Purchased goods and services	3,367	17,782	5,194
Interest	1,239	620	278
Amortization	1,090	531	237
Total	\$ 7,554	\$ 20,652	\$ 7,061

12. Pension Contributions (thousands of dollars)

During the year, the GTHA contributed \$88 (2013 - \$77) to PEPP.

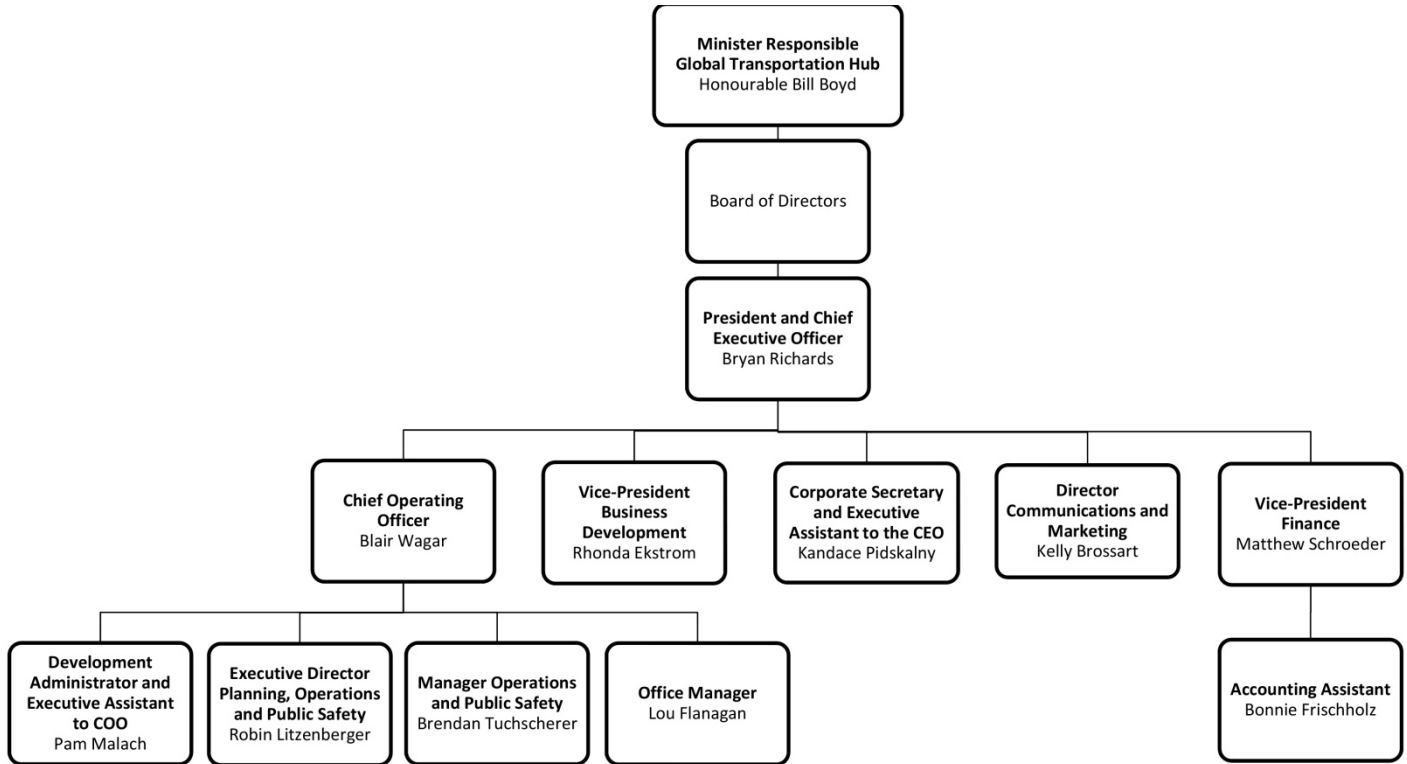
13. Contingent Liabilities

The GTHA has accrued a contingent liability relating to matters outstanding with the Ministry of Highways and Infrastructure.

14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Appendix A: GTH Organizational Chart



Appendix B: Payee Report

Employees

Individual payees are reported where remuneration paid to them totals at least \$50,000. Remuneration includes salaries, wages, bonuses, payments in lieu of notice, vacation payouts and other taxable benefits paid to employees with a minimum threshold of \$50,000.

Payments of pension funds to, or on behalf of, active or retired employees are not reported.

Employee	Remuneration
DEKKER, CHRIS M	78,687
ECKERT, JODY L	89,578
EKSTROM RHONDA LEE	172,688
LEMMERICK, MARK B	69,940
LITZENBERGER, ROBIN T	117,827
MALACH, PAM NICOLE	66,800
O'YOUNG, SIMON C	130,981
RICHARDS, BRYAN S	150,459
TUCHSCHERER, BRENDAN	66,381
WAGAR, BLAIR RONALD	175,727

Suppliers and Other Payments

Individual payees are reported where the sum of payments to them total at least \$50,000.

Vendor	Remuneration
ASSOCIATED ENGINEERING	131,327
ASL PAVING LTD	3,660,076
AVISON YOUNG	157,500
BROWN COMMUNICATIONS GROUP	408,773
CITY OF REGINA	478,793
CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN	93,608
KELLY PANTELUK CONSTRUCTION LTD	1,163,031
KPMG LLP	76,051
LOBLAW GROUPS OF COMPANIES	65,000
MARSH CANADA LIMITED	50,731
MCKERCHER LLP	126,243
MCNAIR BUSINESS DEVELOPMENTS INC.	102,000
MINISTRY OF HIGHWAYS & INFRASTRUCTURE	2,518,479
MINISTRY OF CENTRAL SERVICES	139,495
PROFESSIONAL BUILDING INSPECTIONS, INC.	94,400
RAPID LAWN HYDROSEEDING	58,734
RBC ROYAL BANK VISA	129,654
SASKATCHEWAN RESEARCH COUNCIL	57,585
SASKENERGY INCORPORATED	158,082
STAATS, PAUL	159,646
STANTEC CONSULTING LTD	1,103,284

Appendix C: Contact Information



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