


Tourism Saskatchewan 2016-2017 Annual Report





\$2.15 BILLION
in travel expenditures

12.2 MILLION
visits to and within Saskatchewan

5.77 MILLION
contacts made with potential visitors in 2016-2017

64,600
Saskatchewan residents employed in tourism

4,200
tourism products and services



VISION:

A vibrant entrepreneurial tourism industry offering year-round compelling and memorable Saskatchewan experiences

MISSION:

Connect people with quality Saskatchewan experiences and advance the development of successful tourism operations

Letter of Transmittal

Her Honour, The Honourable Vaughn Solomon Schofield, S.O.M., S.V.M.
Lieutenant Governor of the Province of Saskatchewan

May it Please Your Honour:

With respect, I submit Tourism Saskatchewan's Annual Report for the fiscal period ending March 31, 2017.

In compliance with *The Tourism Saskatchewan Act*, this document outlines the corporation's business activities and includes audited financial statements.



Jeremy Harrison
Minister Responsible for Tourism Saskatchewan

Introduction

This Annual Report contains information about Tourism Saskatchewan's activities during the past fiscal year (April 1, 2016 to March 31, 2017), along with financial statements for that period.

The purpose of the document is to report to public and elected officials on commitments made and other key accomplishments within the identified fiscal period. It outlines results on committed strategies, actions and performance measures identified in Tourism Saskatchewan's Strategic Plan 2014-2016, and denotes progress made on Government commitments, as identified in

Government Direction for 2016-17: Keep Saskatchewan Strong, The Saskatchewan Plan for Growth – Vision 2020 and Beyond, throne speeches and other statements.

The information contained within demonstrates Tourism Saskatchewan's commitment to effective public-performance reporting, transparency and accountability.

TABLE OF CONTENTS

| | |
|--|----|
| Letter of Transmittal..... | 2 |
| Introduction | 2 |
| Message from the Minister | 4 |
| Alignment with Government's Direction..... | 5 |
| Message from the Chair | 6 |
| Board of Directors | 7 |
| Message from the CEO | 8 |
| Tourism Saskatchewan | 9 |
| Organizational Structure | 10 |
| Saskatchewan's Tourism Sector..... | 11 |
| Progress in 2016-2017..... | 13 |
| Marketing Saskatchewan Experiences | 14 |
| Developing Saskatchewan Experiences | 21 |
| Fostering Operational Excellence. | 27 |
| Performance Measures | 30 |
| Financial Statements | 31 |

Message from the Minister



As Minister Responsible for Tourism Saskatchewan, I am pleased to acknowledge the organization's achievements in 2016-2017. The pages of this report reflect on a year that saw the province's impressive tourism brand build momentum. New chapters were added to the series of stories inspired by the brand pillars – land and sky; time and space, and community – features that distinguish Saskatchewan from other destinations and shape compelling, creative marketing campaigns.

Saskatchewan's renowned hospitality is showcased during festivals and events that attract visitors and deliver a strong economic impact. Enhancements to the Event Hosting Program expand eligibility to participate in this valuable program. Renewed approaches and opportunities spark imaginative concepts for new events and signal greater success and growth among existing events.

A thriving tourism sector is vital to the province's strong economy and makes Saskatchewan a great place to live, work and visit. In 2015, travel expenditures reached \$2.15 billion, and approximately 12.2 million visits were made to and within Saskatchewan. Tourism is a major source of employment and provides full- and part-time jobs to nearly 65,000 citizens – one in 10 workers.

Tourism offers rewarding opportunities for entrepreneurs. Saskatchewan has 3,200 businesses and organizations that offer more than 4,000 tourism products and services. Approximately 95 per cent of tourism businesses are small- or medium-sized, independently owned operations, the majority of which are located in communities other than our two major cities. Almost 80 per cent of tourism businesses and events, and greater than 50 per cent of tourism-related employment occur in these areas.

An innovative, service-driven tourism sector is essential to positive first impressions, to meaningful guest experiences and to Saskatchewan becoming a destination of choice for more and more travellers. The Government of Saskatchewan recognizes the significance of Saskatchewan's tourism sector and is committed to its growth and enrichment, and to working with partners to give our province a competitive edge.

Tourism Saskatchewan is a valued, respected partner and deserves recognition for its work in marketing and developing Saskatchewan tourism experiences. The success achieved in 2016-2017, outlined on the following pages, is impressive.

A handwritten signature in black ink, appearing to read 'Jeremy H.' with a stylized flourish at the end.

Jeremy Harrison
Minister Responsible for Tourism Saskatchewan

Alignment with Government's Direction

Tourism Saskatchewan's 2016-2017 Annual Report aligns with Government's Vision and four Goals:

Our Government's Vision

Saskatchewan's vision is to be 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

1. Sustaining growth and opportunities for Saskatchewan people
2. Meeting the challenges of growth
3. Securing a better quality of life for all Saskatchewan people
4. Delivering responsive and responsible government

Government's Vision and four Goals provide a directional framework for ministries, agencies and third parties. Tourism Saskatchewan's 2016-2017 activities align with these priorities in an effort to achieve greater success in the efficient delivery of Government services.

Together, all ministries and agencies support the achievement of Government's four Goals and work toward a growing and prosperous Saskatchewan.

In 2016-2017, Tourism Saskatchewan supported the Government's goals through the following:

- Introducing the second series of Saskatchewan stories that build on the tourism brand pillars that were introduced in 2015
- Delivering influential campaigns and promotional materials, inspired by the brand pillars, to reach key target markets and generate interest in Saskatchewan as a travel destination
- Implementing the steps and actions outlined in the Strategic Plan 2014-2016 to support sector growth and advancement and build awareness of Saskatchewan as a tourism destination
- Completing a strategic planning process that provides a framework for Tourism Saskatchewan's work and activities in 2017-2021, and positions the province's tourism sector for growth and advancement
- Commissioning a comprehensive review of all consumer marketing channels, content and materials, and delivery of a content strategy for implementation in 2017-2018
- Undertaking a review of the IndustryMatters.com website and plotting improvements in content and framework for providing beneficial information, materials and opportunities to enhance business
- Updating the application-based Co-operative Advertising Program to encourage industry partners to broaden current markets beyond 40 km and use effective tracking to measure return on investment
- Delivering reputable, high-quality tourism education and training programs to broaden employment opportunities and build a skilled, service-driven tourism workforce
- Expanding the experiential tourism pilot project to involve a number of urban and rural operators and develop several new product offerings for introduction to the market in 2017
- Conducting a review of the Event Hosting Program that resulted in an improved online application process and criteria changes to achieve greater efficiency and expand opportunities for hosting events, conferences and business meetings
- Developing the initial components and training materials for a comprehensive workshop series to assist organizations and communities that host events
- Delivering professional travel counselling and visitor services to address consumer inquiries, promote Saskatchewan hospitality and contribute to positive first impressions and remarkable guest experiences
- Partnering with industry, stakeholders and Government to maximize resources, align activities and strengthen and expand tourism opportunities

Message from the Chair



I consider it a privilege to serve as Chair of Tourism Saskatchewan's Board of Directors. My role affords me the opportunity to work with a team of engaged colleagues and with knowledgeable professionals who manage day-to-day business and the delivery of programs and services with care and precision. They are driven by their passion for tourism and by their deep attachment to this great province.

This report outlines Tourism Saskatchewan's accomplishments

and activities in 2016-2017, which were aligned with priorities identified in the Strategic Plan 2014-2016 and guided by the following statements:

Vision – A vibrant entrepreneurial tourism industry offering year-round compelling and memorable Saskatchewan experiences

Mission – Connect people with quality Saskatchewan experiences and advance the development of successful tourism operations

Three new board members, Brian Hoffart, Lawrence Joseph and Jori Kirk, were appointed in 2016, joining Cory Rideout (Vice-Chair), Sandra LeBarre, Irene Seiferling, Dana Soonias and me in conversations around the board table. We are a skills-based board that provides broad strategic direction and shares a responsibility to ensure sound fiscal management. The highlights and financial statements in this annual report affirm that business and affairs are in order.

Tourism Saskatchewan has a sweeping mandate that includes marketing the province as a travel destination, providing visitor services, leading industry development initiatives, delivering education and training programs, and managing an event funding program. Each mandated function has complex layers of activities and projects, and maintaining consistency and high standards across all areas is no small feat.

The results of 2016-2017, listed on the pages that follow, speak to the influence of Saskatchewan's striking tourism brand and the progress made in developing a series of captivating stories and sharing them across popular and effective channels. Building an impressive online presence, taking full advantage of social media, and engaging external partners and travel influencers are showing a great return.

Research and industry consultation are important factors in developing new and improving existing programs. A review of the Event Hosting Program sought input from stakeholders, whose insights shaped changes that expand eligibility and signal opportunities for growth.

Partnerships and collaboration are key to spreading the word about Saskatchewan and motivating potential travellers to visit. Tourism Saskatchewan's involvement with Destination Canada and additional partners brings profile to the province and reaches alternative demographics, such as millennial travellers, as well as expands promotion to U.S. anglers.

Tourism Saskatchewan is pleased to highlight some of these activities, and the fine work across all departments in 2016-2017, categorized in this report under three strategic priorities:

- Marketing Saskatchewan Experiences
- Developing Saskatchewan Experiences
- Fostering Operational Excellence

Management, board members and staff are proud of the achievements of the past fiscal year and excited about the future.

Norm Beug
Chair, Board of Directors

Board of Directors



Left to right: Jori Kirk, Lawrence Joseph, Sandra LeBarre, Dana Soonias, Norm Beug, Brian Hoffart, Irene Seiferling. Missing: Cory Rideout.

Tourism Saskatchewan is led by an eight-member Board of Directors appointed by Government. As a skills-based board, members bring solid business knowledge and experience to their role in providing broad policy direction to the Treasury Board Crown Corporation.

The board has established three committees to address specific areas of responsibility:

- Audit Committee
- Governance Committee
- Human Resource Committee

Tourism Saskatchewan acknowledges the following individuals for their commitment to serving on the Board of Directors:

- Norm Beug, Chair
- Cory Rideout, Vice-Chair
- Brian Hoffart
- Lawrence Joseph
- Jori Kirk
- Sandra LeBarre
- Irene Seiferling
- Dana Soonias

Message from the CEO



Having worked in tourism for more than 25 years, I can honestly say that there is never a dull day. How could there be in an industry that has the terms adventure, exploration and discovery in its common vocabulary?

Tourism is considered the world's fastest-growing industry, and the opportunities for rewarding careers and entrepreneurial ventures are limited only by the imagination. It is also a fiercely competitive business. Travellers today have infinite choices. They research and plan their vacations very differently than in the past –

and by that, I'm not talking about the distant past. Technology is advancing so quickly that the current way we access and search for information could be obsolete in a year.

A "business as usual" or "maintaining the status quo" attitude is no longer an option. To reach new audiences and capture a share of the lucrative travel market, you need to know who your customers are, what experiences they are seeking, where they are accessing information and who is influencing them.

Consumer trends, innovative technologies and new research shaped Tourism Saskatchewan's decisions and activities in 2016-2017. Throughout this period, sights were set on industry growth and expansion, and improving our own methods of conducting business. A mission to connect people with quality Saskatchewan experiences and advance the development of successful tourism operations steered the direction of our work.

Saskatchewan has such an abundance of tourism resources. There is no shortage of inspiration for campaign themes and creative elements that reflect the beauty and diversity of this special place, and the special connections that are formed when time is in no hurry and you surrender to the vast wide-openness. The friendly, vibrant character of a Saskatchewan city became the subject of a new chapter in our brand storytelling.

We know that Saskatchewanians are enthusiastic ambassadors for our province. Engaging talented local travel influencers, as well as working with

national and international travel writers and media, has been a fulfilling experience. They cast a wide net, through social media activities, and capture the attention of potential visitors, from far and near, with their vivid photography and storytelling.

Tourism Saskatchewan's staff share a deep commitment to continuous improvement. This became particularly evident in an internal effort, working with consultants, that drove an ambitious consumer content strategy from preliminary concept to a comprehensive report in under five months.

The theme "pilot projects" runs through this report. It is always exciting to test new initiatives and engage industry in the development of opportunities to help them succeed. Tourism Saskatchewan's partnership with Vendasta, a Saskatchewan company, is assisting operators with managing their online reputation and gaining visibility on the "go to" channels for vacation planning and reviews.

Experiential tourism AWEshops were piloted that encouraged participating operators to consider the small, authentic details that contribute to meaningful guest experiences. Delivering the unexpected will lead to those awe-inspiring, memorable travel moments that visitors are eager to share on social media and recommend to their friends.

The Saskatchewan Tourism Education Council delivered specialized projects that established WorldHost standards of excellence in Saskatoon's taxi industry, and that raised the bar on customer service and employee training among participating properties. The success of the Tourism Workplace Leadership Conference emphasized industry's appreciation of cost-effective opportunities to gain knowledge and tools that enhance the workplace.

The momentum that is building across the globe for travel and exploration is exciting. My colleagues and I, and the Board of Directors, recognize that we live in a truly remarkable place. We are working to ensure that tourism in our province continues to grow.

A handwritten signature in dark ink, reading "Mary Taylor-Ash". The signature is fluid and cursive, with a large, stylized initial 'M'.

Mary Taylor-Ash
CEO

Tourism Saskatchewan

Tourism Saskatchewan promotes the province as a tourism destination by providing in-province and out-of-province marketing and visitor services. Tourism Saskatchewan assists industry to market and develop quality tourism products through co-operative marketing, education and training and event funding programs.

Tourism Saskatchewan was established in accordance with *The Tourism Saskatchewan Act*, proclaimed on July 1, 2012. A Treasury Board Crown Corporation with the meaning of *The Crown Corporations Act, 1993*, Tourism Saskatchewan is a continuation of the Saskatchewan Tourism Authority, created under *The Tourism Authority Act, 1994*.

The corporation's mandated purposes are:

- a) To market Saskatchewan as a tourism destination in domestic, national and international markets
- b) To assist Saskatchewan's tourism industry operators to market their products
- c) To develop and promote the quality of tourism products and services in Saskatchewan
- d) To provide visitor information services
- e) To undertake any other activities or functions assigned by the Lieutenant Governor in Council

Responsibility for Tourism Saskatchewan is jointly assigned to the Minister of the Economy and the Minister Responsible for Tourism Saskatchewan. An appointed, skills-based Board of Directors provides policy direction to the Chief Executive Officer (CEO).

Under the leadership of CEO Mary Taylor-Ash, staff in Regina, Saskatoon and four field offices drive the work that builds on the organization's solid foundation and steers Tourism Saskatchewan toward fulfilling its goals. Activities and projects align with the Vision, Mission, Corporate Values and Guiding Principles.

Vision: A vibrant entrepreneurial tourism industry offering year-round compelling and memorable Saskatchewan experiences

Mission: Connect people with quality Saskatchewan experiences and advance the development of successful tourism operations

Corporate Values

- Nurture a vibrant and creative organization dedicated to serving the industry and the visitor
- Empower each other and our stakeholders to be innovative and to take risks
- Work collaboratively to build effective, respectful relationships and an inclusive approach for the purpose of delivering excellent results

Guiding Principles:

- Alignment – align our activities, internally and with stakeholders
- Collaboration – collaborate for the mutual benefit of the organization and our stakeholders
- Market-driven – ensure initiatives are market-driven
- Accountable – to industry, Saskatchewan citizens and Government

Tourism Saskatchewan's Strategic Plan 2014-2016 identifies three Strategic Priorities:

- Marketing Saskatchewan Experiences
- Developing Saskatchewan Experiences
- Fostering Operational Excellence

With this solid framework in place, focus and attention are directed at key markets supported by research, and on projects and activities that will advance the province's tourism sector and stimulate economic growth.

Organizational Structure

Executive Office

- Responsible for the framework and day-to-day oversight of all operational activities
- Serves as the main interface between the corporation, its Board of Directors and Government
- Provides administrative support to the Board of Directors
- Through the Chief Executive Officer (CEO):
 - leads the delivery of Tourism Saskatchewan's mandate and vision
 - manages government and community relations
 - nurtures stakeholder and industry partnerships
 - oversees the strategic plan and tactical operations

Marketing and Communications

- Responsible for campaigns and initiatives that promote Saskatchewan tourism experiences and generate visitation to and within the province
- Works with industry to market tourism experiences
- Manages industry and corporate communications
- Participates in research to determine high-impact markets that produce the greatest return-on-investment
- Delivers professional travel counselling through Tourism Saskatchewan's Regina headquarters
- Maintains strong connections with industry through four field offices
- Departments: Marketing; Communications; Field Operations; Visitor Services

Industry and Community Development

- Supports efforts to attract national and international events to the province
- Manages a funding program that assists communities with event hosting
- Responsible for tourism education and training to address the challenges of a competitive labour market
- Assists destination areas and communities in developing and co-ordinating tourism assets to enrich the quality of experiences
- Departments: Saskatchewan Tourism Education Council (STEC); Events; Product Development

Corporate Services

- Provides leadership and co-ordination in the areas of strategic planning and monitoring, financial services, enterprise risk management, legislative compliance and contract management
- Develops and implements central human resource strategies
- Supplies information technology services
- Responsible for research, information collection, privacy protection and records management
- Departments: Finance and Administration; eBusiness and Technology; Human Resources; Planning and Research

Saskatchewan's Tourism Sector



Saskatoon

Saskatchewan has an impressive wealth of tourism resources, ranging from nearly 100,000 lakes and limitless opportunities for outdoor recreation to an enviable parks system of two national, 35 provincial and almost 80 regional parks to signature attractions that tell the stories of Saskatchewan's history, culture and people.

As a four-season destination, Saskatchewan offers great diversity in travel experiences. Year-round, communities throughout the province – large and small, urban and rural – host festivals and events that showcase talent, culture, athleticism and the remarkable brand of hospitality for which Saskatchewan is known.

Tourism is an important player in the Saskatchewan economy, generating \$2.15 billion in travel expenditures annually. In 2015, 12.2 million visits were made to and within the province. More than 4.6 million of these visits were for one or more nights, with \$1.44 billion spent on overnight or longer visits – nearly a 1.8 per cent increase over 2014. This stability indicates a strong tourism industry, following significant growth of 48 per cent in visits and 33 per cent in expenditures between 2008 and 2012.

Saskatchewan residents account for 70 per cent of overnight or longer visits and 59 per cent of expenditures. Other Canadians account for 25 per cent of overnight or longer visits and 26 per cent of expenditures, while visitors from the United States and overseas are responsible for five per cent of overnight or longer visits and 15 per cent of expenditures.

Main motivators for most Canadian visitors to Saskatchewan are visiting friends and relatives, and pleasure travel. Travellers from the United States primarily visit for vacation or pleasure travel. Fishing and hunting are their main reasons for visiting, or they may be here as part of a western Canadian trip. A strong U.S. economy and low Canadian dollar may account for a five per cent rise in Americans entering Saskatchewan by road in 2015, and an 8.2 per cent increase in overnight or longer stays by those visitors.



The Capitol Restaurant & Cocktail Bar, Regina

Enhancing Communities through Employment and Opportunities

Tourism is a sector of five industries:

- Accommodation
- Food and Beverage Services
- Recreation and Entertainment
- Transportation
- Travel Services

Virtually all other areas of business or commerce are influenced by activities in tourism. A vibrant tourism sector, one committed to product and service excellence, reflects a positive image for a destination and contributes to the success of other businesses.

Saskatchewan has approximately 3,200 organizations offering 4,200 tourism products and services. Tourism provides full- and part-time employment to nearly 65,000 citizens, more than 10 per cent of the working population.

Saskatchewan's tourism sector is 95 per cent small- or medium-sized businesses, with a large segment of those located outside of the province's two major cities. Seventy-nine per cent of tourism businesses and events are situated in communities other than

Regina and Saskatoon, and 51 per cent of tourism-related employment is in these areas.

Tourism Benefits Quality of Life

A strong, healthy tourism sector benefits Saskatchewan citizens on many levels. It contributes to the quality of life through public investments in infrastructure, transportation, provincial and regional parks, cultural activities, attractions, events, recreational facilities and other areas.

Tourism is a valuable source of tax revenue for all levels of government. In 2014, tourism in Saskatchewan generated \$816 million in taxes on tourism wages and expenditures.

| | |
|------------------|----------------------|
| Federal taxes | \$476 million |
| Provincial taxes | \$303 million |
| Municipal taxes | \$ 37 million |
| Total | \$816 million |

Tourism is an important export industry. Export revenue for 2015 totalled \$570 million. This is new money coming into the province, staying in the province, and benefitting cities and towns, municipalities, communities and the people who live and work in Saskatchewan.

PROGRESS IN 2016-2017





Prince Albert National Park

STRATEGIC PRIORITY: MARKETING SASKATCHEWAN EXPERIENCES

Key Action:

Create and implement a strong tourism identity for Saskatchewan that instils pride in residents and resonates with visitors

Results:

Saskatchewan Tourism Brand – The compelling tourism brand, unveiled in 2015, captures the essence of the province and reflects the qualities that are unique and memorable, and make Saskatchewan distinct from other destinations. Brand pillars – land and sky; time and space; and community – inspire stories and creative elements that are featured in advertising campaigns, content across online and social media channels, and other promotional materials.

Two new brand stories were unveiled in 2016. The 60-second commercials featured a family camping

experience in Prince Albert National Park and canoeing on the historic Churchill River in Lac La Ronge Provincial Park. These stories were developed for the spring advertising campaign, which targeted Alberta and Saskatchewan.

In the summer, photography and video were shot in Saskatoon and area for a new segment that interprets the tourism brand from a younger perspective. The story captures the energy and vitality of a distinctly Saskatchewan city, and emphasizes that the province has a dynamic urban character, in addition to its reputation as a great outdoor adventure destination. Thirty-second and 60-second television commercials and online banner and pre-roll ads were developed for the spring 2017 advertising campaign. Video production costs totalling \$550,000 were incurred in 2016-2017.

Photography – Tourism Saskatchewan contracted two photographers of record, Chris Hendrickson Photography (Saskatoon) and Huszar Visuals (Regina), to collect a variety of images that support the tourism brand. Photo shoots in 10 locations throughout Saskatchewan yielded more than 46 additions to the image library. Brand photography captured in Saskatoon and third-party purchases added another 47 images to the collection.

Key Action:

- Generate excitement about Saskatchewan's tourism experiences in key markets to increase awareness, visitation and expenditures through the following tactics:
- Review geographic and product/experience markets to identify and prioritize key markets
- Develop a market readiness program
- Develop a comprehensive market plan that is in full alignment with the tourism identity

Results:

2016 Spring Advertising Campaign – Advertising within Canada targeted Saskatchewan residents and select Alberta audiences. The spring television campaign launched on April 11 and ran until June 5 on CTV, Global and City in Saskatchewan, and June 12 on CTV and Global in Alberta. The commercials also appeared on *Rogers Hockey Night in Canada* in Edmonton and Saskatchewan, ending June 15. A corresponding online component enhanced the campaign's reach. Nearly 19 million impressions were generated. Television and online advertising in Alberta delivered approximately 4.8 million and 7.4 million impressions, respectively. Television advertising, in Saskatchewan, generated over two million impressions, while online achieved over 3.7 million.

The online component featured video from the two new television spots. The buy included Bell Media sites, YouTube, Postmedia, and the online platform Rocket Fuel. The campaign generated more than 291,000 website visits.

Print initiatives generated nearly 690,000 impressions, and included co-operative advertising in the Alberta Motor Association's *AMA Insider*, *CAA Saskatchewan Magazine*, *See Scenic Saskatchewan*, *Prairie's North Magazine*, *SNORIDERS*, *Alberta Outdoorsmen*, and *Alberta Guide to Sportfishing Regulations*.

Impressions and Consumer Contacts – Tourism Saskatchewan continued to focus on targeted campaigns aimed at audiences with a strong potential to visit. These efforts drove more than 430 million advertising and marketing-generated impressions in 2016-2017. The ratio of contacts to impressions increased 48 per cent, from 0.9 contacts per 100 impressions recorded the previous year to 1.34 contacts per 100 impressions. Travellers were influenced through online advertising, social media, consumer and trade shows, television, billboards, radio and publicity generated through travel media, shared across traditional and online channels. An additional 232 million potential travellers were reached through sharing of the #ExploreSask hashtag.

Consumer contacts numbered 5.77 million, an increase of 46 per cent over the previous year. These contacts were made via social media, website visits, live chat, telephone, in-person and through distribution of Tourism Saskatchewan's travel literature. Reaching over 41 per cent of key Saskatchewan and Alberta markets, campaign advertising continues to significantly out-perform industry norms in areas such as relevance, interest and enjoyment.

Social Media Channels – Tourism Saskatchewan's growing social media activities amplify the province's tourism brand and extend its marketing reach. Social engagement, both paid and organic, is a key content marketing tool. All social media objectives were exceeded in 2016-2017. Audiences across Facebook, Instagram, Twitter and additional channels grew 34.5 per cent to 199,276 followers, and consumers engaged with content over 3.8 million times. Instagram has proven to be an ideal channel for inspiring travellers, and records the highest engagement rates. Activities on Instagram increased the number of followers to over 31,000, a 58 per cent increase over the previous year.

Generating third-party content that is aligned with the tourism brand was the focus of a number of social media influencer campaigns. A new project, *Going Local*, was designed to build lasting relationships with local Instagram influencers. Tourism Saskatchewan also worked with four out-of-province influencers to leverage their unique perspectives and extended reach to consumers.



Hunt Falls, fly-out from Scott Lake Lodge

Tourism Saskatchewan entered into a relationship with Matador Network, the world's largest independent travel media company. The partnership also involves Tourism Regina, Tourism Saskatoon and Parks Canada (Prince Albert National Park), and will see the creation of Saskatchewan travel stories and videos that will raise the province's profile as a destination and increase its exposure to markets across Canada and the United States.

U.S. Fishing and Hunting Advertising Campaign –

Advertising in the United States ran January through March, and focused on attracting American anglers to Saskatchewan for a fishing trip of a lifetime.

Secondary initiatives reached out to white-tailed deer, black bear and game bird hunters. Pennsylvania was the primary angling target, while secondary markets included North Dakota, South Dakota, Montana, Colorado, Minnesota, Texas, Nebraska, Iowa, Wyoming and Illinois. Online advertising was the primary medium, supported by print advertising and a television sponsorship with Midwest Outdoors. Ten thousand copies of the *Saskatchewan Fishing & Hunting Guide* were inserted in *Pennsylvania Outdoors Magazine*, while full-page fishing and hunting advertisements were placed in the publication's full

circulation throughout the three-month campaign. National two-page advertisements in *In-Fisherman Magazine*, *North American Whitetail Magazine*, *Bear Hunting Magazine* and *Wildfowl Magazine* included an accompanying chart listing Saskatchewan fishing and hunting outfitters. These outfitters qualified for co-operative advertising-based listings through their participation in the *Saskatchewan Fishing & Hunting Guide*. Print, television and online components generated one million, 2.5 million and 22 million online impressions, respectively. The campaign drove approximately 20,000 website visits to the fishing section of TourismSaskatchewan.com.

National Angling Program – Tourism Saskatchewan partnered with Destination Canada, Ontario Tourism Marketing Partnership Corporation, Travel Manitoba and Northwest Territories Tourism on a co-ordinated effort to promote angling products and experiences to markets in the United States. The campaign included advertising and partnerships with premium outdoor media that included Scout Media and Outdoor Sportsman Group. A partnership with In-Fisherman TV, part of the Outdoor Sportsman Group, led to two trips to Saskatchewan to film fishing for northern pike, walleye and lake trout.



Van Lifers, Grasslands National Park

The coverage will help to drive awareness of Saskatchewan as a premium freshwater fishing destination. In-Fisherman TV also put together a 30-second promotional message for Saskatchewan, using stock footage from its fishing trips to the province.

National Angling Program activities generated over 17.6 million impressions for Saskatchewan, and drove almost 18,000 web visits. Saskatchewan's contribution to the partnered initiative was \$150,000.

Millennial Travel Program – The Millennial Travel Program, a Destination Canada (DC) initiative, is designed to appeal to Canadian travellers between the ages of 18-34 and encourage them to explore Canada during its 150th birthday. Tourism Saskatchewan, Tourism Saskatoon and Parks Canada teamed up with DC and provinces, territories and organizations nationwide to build and execute the program.

Bell Media and DC partnered on the production of compelling Canadian stories that are featured on the travel website, farandwide.much.com, and distributed across channels targeted to millennial

travellers. The Far and Wide campaign was launched in mid-2016. Two Saskatchewan episodes were filmed in the summer, one in Saskatoon and the other at Grasslands National Park. The Saskatoon video, *Paris of the Prairies*, was the fifth in the series to air and was launched in October. The Grasslands video, *Home on the Road*, premiered in March. Additional visual and written content helped paint a vivid picture of Saskatchewan as a vacation destination for young travellers.

A goal of the campaign is to generate sales by promoting packages and special offers. Viewers of the Grasslands National Park video are tempted by packages that resonate with millennials, simplify travel planning and offer a unique park experience in 2017.

Inquiries – In 2016-2017, Visitor Services responded to approximately 79,000 inquiries via telephone, live chat, email, direct email, website visits and in-person. For the third year, the operating season at Maple Creek and Fleming Visitor Reception Centres (VRCs) was extended. Open from the beginning of May until Thanksgiving, the Fleming and Maple Creek VRCs saw 34,690 and 27,581 visitors respectively, comparable to



Facing Waves, Saskatchewan Whitewater Festival

statistics for the previous year. A decision to cease operation of the two rural VRCs in 2017 was based on research, changing consumer travel trends and budget priorities.

Over 176,000 pieces of travel literature were distributed to consumers through a variety of qualified, tourism-related third-parties.

Media Marketplaces – Tourism Saskatchewan attended six key marketplaces in 2016: Canada Media Marketplace, the Travel Media Association of Canada Conference, GoMedia Canada Marketplace, the Outdoor Writers Association of America Conference, Travel Blogger Exchange and the Professional Outdoor Media Association Business Conference. Individual contact was made with 181 travel writers and media representatives. Results of these efforts included opportunities to host Gary Arndt, award-winning photographer/blogger; Jim Byers, travel writer for Postmedia and Sun Media, and former travel *Toronto Star* editor; and Karen Burns Booth, UK food writer, photographer and blogger.

Media Hosting – Tourism Saskatchewan supported 62 media projects in 2016-2017. Nineteen projects had a general/leisure travel focus, while 25 were related to fishing, 14 were hunting-specific and four combined the two sports. A joint Saskatchewan/Alberta familiarization tour (FAM) for German media was titled “Off the Beaten Path” and hosted guests on

a tour that explored southwest Saskatchewan and southeast Alberta. Tourism Saskatchewan partnered with Tourism Saskatoon on an urban/rural adventure FAM. Media representatives Megan Stewart (*Vancouver Courier*), Beth Thompson (*Best Health Magazine*), Janna Graber (*Go World Travel*), and Barb Sligl (*Just for Canadian Doctors*) were treated to the city’s renowned hospitality, and discovered the convenient escape into nature with a visit to Prince Albert National Park.

The Travel Media Program also supported the production of an episode of the *Facing Waves* television series, which brought profile to the Saskatchewan Whitewater Festival in June. The relationship with *Facing Waves* has yielded impressive video and photography that has been shared across Tourism Saskatchewan’s social media channels.

Tourism Saskatchewan provided support on 19 hunting/fishing media trips hosted by Saskatchewan outfitters. Among these were two media visits from *In-Fisherman Magazine*, as part of Tourism Saskatchewan’s involvement in the National Angling Program. Content was created for multiple media outlets.

Travel Trade Activities – Tourism Saskatchewan was represented at the following six trade marketplaces in 2016-2017: Ontario Motor Coach Association Marketplace & Conference, Rendez-vous Canada, American Bus Association Marketplace, National Tour Association Marketplace, United States Tour Operator Association Marketplace, and ITB Berlin. More than 380 important travel trade contacts were made during these shows.

- Canada’s Rise & Shine Breakfast, 2016 USTOA Marketplace – Tourism Saskatchewan renewed its involvement with the United States Tour Operator Association (USTOA), an organization comprised of owners and decision-makers from the leading U.S. tour companies. At the 2016 USTOA Marketplace, Tourism Saskatchewan co-sponsored a kick-off breakfast with Destination Canada and eight participating provinces. More than 130 tour operators were hosted that morning.

- American Bus Association (ABA) Marketplace Sponsorship – Tourism Saskatchewan and Tourism Saskatoon partnered as education session sponsors at the 2017 ABA Marketplace. A marketplace booth was included in the sponsorship, and a popular draw and conversation starter was the make-your-own button feature. Over 250 Saskatchewan buttons were crafted, and the booth achieved more than 3,500 impressions. A series of Minnesota sales calls following the event resulted in Gary Block Tours offering a new Saskatchewan tour in July 2017.
- Rendez-vous Canada Buyer Reception – Twenty-three buyers and two media representing key travel trade markets in Germany, United Kingdom, Canada and the United States were hosted by Tourism Saskatchewan at a reception held during Rendez-vous Canada. The event provided an opportunity for Tourism Saskatchewan and industry partners – Tourism Saskatoon, RCMP Heritage Centre and Milton Lake Lodge – to introduce buyers to Saskatchewan products and experiences. During the marketplace, Tourism Saskatchewan engaged more than 130 influential travel trade representatives in one-on-one appointments. Efforts to build relationships and “sell” them on Saskatchewan experiences resulted in several new partnerships and tour offerings by international companies.
- German Market Initiative – Tourism Saskatchewan, in partnership with Air Canada, Travel Manitoba, NWT Tourism and Tourism Yukon, developed and implemented a marketing initiative in Germany titled Canada’s Hidden Gems. The project focused exclusively on Canada’s lesser-known destinations. Activities included a roadshow series of training seminars for travel agents hosted over four evenings in four German cities, an exclusive consumer event held in partnership with key tour operator CRD, and two media events. Attendance at these events included 153 trade representatives, 40 consumers and 19 media.



- North American Group Trade FAM – In July 2016, group tour companies from Canada and the United States were hosted on a southern Saskatchewan FAM tour that treated travel trade operators to a taste of local cuisine and introduced them to several unique experiences.

As a result of the FAM, R & J Tours (Minnesota) is offering an international mystery tour to Saskatchewan in August 2017. Promotion Tours (Alberta) added a new five-day tour to Regina during the months of June, July and August and has stops in both Moose Jaw and Regina on the itinerary for its new tour to Deadwood, South Dakota.



Key Action:

- Lead and engage tourism stakeholders to promote alignment in marketing strategies

Results:

ExploreSask Photo Contest – The annual ExploreSask Photo Contest was launched during Saskatchewan Tourism Week. The contest was promoted extensively and encouraged participation via the organization's social media channels. A record number of nearly 3,000 entries was submitted, many of which were shared via social media using the hashtag #ExploreSask. The quality, diversity and creativity of the photos impressed contest judges and a number of entries were used in the *Saskatchewan Discovery Guide*, Land of Living Skies Calendar and additional promotional and corporate materials.

Marketplace Support – Through the established consumer marketplace co-op opportunities, Tourism Saskatchewan supported 58 industry partners to attend 15 shows. Total partner investment exceeded \$124,000. More than 30,000 consumer contacts were made and over 300,000 impressions generated. Through the application-based program, 57

operators received funding support to attend 30 shows, which resulted in more than 11,000 consumer contacts and almost 830,000 impressions. The partner investment totalled \$179,000. Tourism Saskatchewan had a booth presence at four trade shows – two in Saskatchewan, one in Alberta and one fishing/hunting show in the United States.

Co-operative Advertising Program – A new application-based Co-operative Advertising Program (CAP) involved 110 tourism operators. The cost-shared provincial program supports partner activities that promote a tourism attraction, event or experience. Components include outdoor, radio, television, print and online advertising. Tourism Saskatchewan provided \$340,000 toward the campaign total of \$643,900. Applications were received during two intake periods. The 2016-2017 CAP generated more than 60 million impressions.

Online advertising was offered via Google Adwords, Facebook and Twitter. Twenty-nine digital campaigns resulted in over 9.7 million impressions and more than 69,000 click-throughs to operator listings or packages on TourismSaskatchewan.com. A print component provided profile in full-page, colour advertorials in the May 7 and July 2 editions of the *Saskatoon StarPhoenix* and *Regina Leader-Post*.

The Field Operations team conducted a consultative survey of 25 per cent of past CAP partners. The insights gathered shaped enhancements to the program, including a more streamlined online application form, along with improved tracking and reporting on return-on-investment. Additional changes will be implemented in 2017-2018.

STRATEGIC PRIORITY: DEVELOPING SASKATCHEWAN EXPERIENCES

Key Action:

Champion industry excellence to build unique and memorable Saskatchewan experiences through developing and implementing the following:

- Quality Experience Strategy
- Tourism Human Resource Strategy
- Major Event Hosting Strategy

Results:

Experiential Tourism AWEshops – Tourism Saskatchewan's experiential tourism pilot project, led by Jill Vandal (the Tourism Company) and Chris Hughes (BC Hughes Tourism Consulting), engaged select operators and introduced them to innovative concepts that encourage a focus on the small details that create awe-inspiring guest experiences. Fully immersive, two-day AWEshops were held in Moose Jaw and involved a group of Saskatoon-based businesses, followed by operators from the Cypress Hills Destination Area. Taking participants out of their familiar environment ensured uninterrupted focus on creativity and on identifying unique product offerings that will enrich visitor experiences. Graduates of the program remain in a working relationship with Product Development Department staff to develop new or refine existing experiences explored in the AWEshops. Four new experiences have been introduced into the market, with an additional 10 in various stages of development.

Online Reputation Management – A pilot project with Vendasta, a Saskatoon online reputation management company, involved 50 tourism businesses in Saskatoon and several Saskatchewan communities. Participants were introduced to technology that enables them to manage their online presence through access to a comprehensive and industry-leading reputation management software platform. The user-friendly tool allows operators to increase their online visibility, respond professionally to negative online reviews and capitalize on positive endorsements. Upon completion and review of the pilot, a partnership with Vendasta has been established and an industry program offered to boost online profile and give operators a competitive edge.



AWEshop indoor picnic

Operator Engagement – A new operator engagement process was developed to familiarize tourism operators with visitor market profiles that represent Saskatchewan's top Canadian tourism markets. The process assists operators in optimizing their marketing efforts and developing new tourism experiences. Operator tool kits were developed for each of the four phases of the process. Testing of the Phase 1 and Phase 2 tool kits involved 16 and four tourism businesses, respectively.

Special Events Workshops – The series of seven Special Events Workshops underwent extensive revisions in response to customer feedback. A prerequisite workshop to introduce event planners to the fundamentals of building an event business plan was identified as a need. STEC worked with an industry validation committee to develop the content for the Getting Your Event Off the Ground workshop, to be piloted in 2017. Going forward, a robust, practical and concise workshop program will be re-introduced, tailored to the needs of organizers of community and volunteer-based events.

Event Hosting Program – Tourism Saskatchewan's application-based Event Hosting Program underwent a number of enhancements, adding value and addressing a greater range of events that foster tourism growth and stimulate the economy. A new

online application process is more convenient and efficient. Changes to the National and International Tourism Events category included streamlining eligible expenses for consistency and to support growth in the numbers of visitors, length of stay, visitor expenditures and media exposure. Also added was the eligibility of meeting and conventions that draw more than 200 delegates to apply for funding. The Event Hosting Program guidelines document was refreshed to reflect the enhancements to the program. The publication is available on IndustryMatters.com.

In 2016-2017, 70 applications were received during two intake periods. Funding was approved for 39 events under the four program categories.

Community Annual Events

| | |
|---|----------|
| 2016 Indian Head Days* (Indian Head) | \$3,000 |
| 2016 Chef's Series at A Taste of Saskatchewan* (Saskatoon) | \$3,000 |
| 2016 Mid Summer's Art Festival (Fort Qu'Appelle) | \$3,000 |
| 2017 Humboldt Summer Sizzler (Humboldt) | \$3,000 |
| 2016 Queen City Pride* (Regina) | \$4,000 |
| 2016 Waskesiu Children's Festival* (Waskesiu Lake) | \$4,000 |
| 2016 Humboldt Summer Sizzler* (Humboldt) | \$4,000 |
| 2017 Waskesiu Snow Days (Waskesiu Lake) | \$4,000 |
| 2016 All Folk'd Up Music Festival* (Montmartre) | \$5,000 |
| 2016 Afrofest (Regina) | \$5,500 |
| 2016 Waskesiu Lakeside Festival* (Waskesiu Lake) | \$7,000 |
| 2016 Saskatoon Comic & Entertainment Expo* (Saskatoon) | \$8,000 |
| 2016 Saskatchewan Highland Gathering and Celtic Festival* (Regina) | \$10,000 |
| 2016 John Arcand Fiddle Fest* (Saskatoon) | \$10,000 |
| 2016 Symphony Under the Sky at Motherwell Homestead* (Motherwell Homestead National Historic Site, Abernethy) | \$10,000 |
| 2017 Winterruption (Regina and Saskatoon) | \$10,000 |

Marquee Annual Tourism Events

| | |
|--|----------|
| 2017 Summer Bash Music Festival (Paradise Hill) | \$3,500 |
| 2016 Shakespeare on the Saskatchewan Festival* (Saskatoon) | \$7,500 |
| 2016 Northern Lights Bluegrass and Old Tyme Music Festival* (Big River) | \$15,000 |
| 2017 Living Sky Casino 5th Annual Powwow (Swift Current) | \$15,000 |
| 2016 Regina Folk Festival (Regina) | \$25,000 |
| 2016 SIGA Dakota Dunes Open (PGA Tour Canada and Graham Slam* (Whitecap Dakota First Nation) | \$25,000 |

| | |
|--|----------|
| 2017 SaskPower Windscape Kite Festival* (Swift Current) | \$26,000 |
| 2016 Subaru Saskatoon Triathlon* (Saskatoon) | \$32,000 |
| 2016 Canadian Cowboy Association Rodeo Finals* (Swift Current) | \$40,000 |

National and International Tourism Events

| | |
|---|-----------|
| 2017 Pinty's Grand Slam of Curling (North Battleford) | \$7,840 |
| 2016 Rowing Canada Aviron's Canadian Masters Championship* (Regina) | \$8,000 |
| 2016 World Broomball Championship* (Regina) | \$15,000 |
| 2017 Pinty's Grand Slam of Curling (Regina) | \$20,000 |
| 2017 FIBA 3x3 World Tour Masters Men's Basketball (Saskatoon) | \$40,000 |
| 2018 World Junior Men's Softball Championship (Prince Albert) | \$50,000 |
| 2017 Skate Canada International (Rena) | \$100,000 |
| 2018 Tim Hortons Brier (Regina) | \$500,000 |

Special Tourism Projects

| | |
|--|-----------|
| 2016 Louis Riel Relay* (Batoche National Historic Site) | \$10,000 |
| Fishing Saskatchewan | \$25,000 |
| RCMP Heritage Centre, Spirits of the Trail* (multiple locations) | \$25,000 |
| History Alive! Vignettes (Regina) | \$35,000 |
| Ness Core Ventures (Big River) | \$50,000 |
| Fish Camp | \$100,000 |

TOTAL **\$1,268,340**

Economic impact models were used to determine the impact on the local economy during 21 events (identified by *). The models used were appropriate to the size of host communities and calculated based upon attendance and original information collected and supplied by the events. Tourism Saskatchewan provided \$256,500 in funding to these 21 events that supported over 85 jobs and had a gross output impact of \$7.06 million.

WorldHost

- Saskatoon became the third city in Canada with taxi companies that have implemented WorldHost training as their standard for customer service in taxi operations. In early 2016, Saskatoon's two taxicab firms, The United Group and Comfort Cabs, approached the City of Saskatoon and Tourism Saskatoon with a customer service proposal. The companies were encouraged to adopt a nationally recognized standard, WorldHost Training for the Taxi Industry, delivered in Saskatchewan by the Saskatchewan Tourism Education Council (STEC). Instructor resources and participant manuals were revised to meet Saskatchewan requirements and to incorporate local examples and bylaws. Four trainers from each company enrolled in WorldHost Trainer instruction, enabling the companies to develop their own instructor base and train their own drivers.
- Tourism Saskatchewan developed a customized training program for kitchen, banquet and supervisory staff of Eurest Dining Services (a division of Compass Group Canada), which provides food and banquet services to TCU Place Arts and Convention Centre in Saskatoon. STEC worked with the company and delivered WorldHost Fundamentals to its 100 employees. Following this training, STEC developed a series of three standards-based, essential skills training packages tailored to the specific requirements of kitchen, serving and supervisory staff. The first package, Table Service Techniques, was delivered to TCU Place banquet staff in January. Kitchen and banquet staff completed the second component, Communication and Teambuilding, in February. The three-stage customized package delivery concluded in March, when kitchen staff and supervisors took part in time and stress management training. Planning was completed for supervisory staff to complete *emerit* Tourism Certified Supervisor (TCS) qualifications in 2017-2018.
- Hotel management company d3h Hotels, which owns and operates 13 properties across Western Canada, adopted WorldHost Fundamentals as a customer service training program for its employees. At year-end, STEC was in the process of qualifying one d3h staff member as a WorldHost Trainer to deliver workshops to the company's employees.
- STEC managed a project that oversaw the French translation of WorldHost Fundamentals, making the program available to French speakers for the first time. Additionally, STEC finalized a client agreement with Collège Mathieu, located in Gravelbourg, for the promotion and delivery of WorldHost Fundamentals and Service Best in French through the college. STEC's relationship with Collège Mathieu led to the incorporation of *emerit* training resources and certification, as well as customer service training and HR Essentials, into the college's French programming.



2016 Tourism Workplace Leadership Conference – The inaugural Tourism Workplace Leadership Conference was a huge success, with more than 150 delegates present for the day-long forum in Saskatoon. The conference theme was Customer Experience – Beyond Good Service, and the event inspired tourism workplace leaders – supervisors and managers in day-to-day contact with frontline staff – to adopt progressive HR strategies that would advance their businesses and enhance the tourism sector. That evening, nearly 200 guests attended the 23rd annual Tourism Professional Recognition Dinner, which concluded the conference.



Employers of Choice – The Employer of Choice program, administered by STEC, encourages businesses to engage in best practices, increase staff training, improve human resources practices and be leaders in the province's tourism sector. The program continually evolves in response to developments in the industry and professional practices, as well as to feedback from participants.

Twenty-seven businesses and organizations earned the Employer of Choice designation for 2017, an increase of 23 per cent over the previous year. This is the highest number of participants since the program was introduced in 2010.

Ready to Work – A career awareness, skills development and transition to employment program, Ready to Work (RTW) – Tourism Careers assists individuals in finding long-term, rewarding careers in the tourism and hospitality sector. In 2016-2017, 188 individuals participated in the program, with 80 per cent obtaining employment or returning to school. Projects were hosted in: Jan's Bay, Cumberland House, Meadow Lake, Saskatoon, Regina, Sturgeon Lake, La Loche, Lloydminster, Loon Lake and Shell Lake.

Service Best – A revision of instructional materials included preparation of a new instructors manual and production of updated training resources. Eight new teachers were trained to deliver Service Best content. Twenty-six new facilitators were certified to provide Service Best, WorldHost, Serve It Right Saskatchewan and other training offerings, on behalf of Tourism Saskatchewan, among client organizations and in Ready to Work projects.

Teachers' Tool Kit – A resource series developed for educators, the Teachers' Tool Kit provides lesson plans that can be incorporated into curricula. The material engages students and informs them about Saskatchewan's wealth of tourism assets, the unique experiences offered to visitors and the career opportunities in the province's tourism sector. Revisions to the series included adding new student activities. In addition to these updates, planning began for a tourism career presentation to be made available to teachers.

Serve it Right Saskatchewan (SIRS) – The three-year phase-in of mandatory server intervention training required all owners and managers of permitted establishments to complete the training by June 30, 2016. New hires are to be trained within 30 days of beginning employment. Changes in the retail environment resulted in SIRS being provided to 101 franchise operations, 71 Saskatchewan Liquor and Gaming Authority employees and 712 new retailers. A major revision was undertaken to update online delivery of SIRS to respond to technological demands of the market. A total of 1,629 people completed the training in 2016-2017: 1,225 online and 404 in workshops.

Certification Preparation Sessions – Individual workshops were designed to assist certification candidates in preparing for the examinations necessary for completing professional certifications. Two-day *emerit* Supervisor Certification Preparation workshops were delivered, hosted in Saskatoon and Regina. A 32-hour Event Co-ordinator Certification Preparation workshop was also developed, with first delivery scheduled in 2017-2018.

Journeyperson Training – STEC serves as the Industry Joint Training Committee for Journeyperson in the Food and Beverage Person and Guest Services Representative trades, recognized by the Saskatchewan Apprenticeship and Trade Certification Commission (SATCC). Two apprenticeship deliveries in 2016-2017, supported by funding from SATCC, provided training for nine individuals in the aforementioned tourism trades. STEC recruited 12 apprentices for the Level III Hybrid Cook Apprenticeship Program, an alternative delivery model for the traditional SATCC Cook Apprenticeship training.

Key Action:

Build a supportive environment through partnerships that enable the sector to fully realize its potential through:

- Identifying opportunities to align activities with non-traditional partners
- Strengthening tourism opportunities in strategic destination areas and product clusters

Results:

Tourism Talks – A new Tourism Talks series was piloted in November at the Grand Theatre 1904 in Indian Head, where Tourism Saskatchewan hosted more than 30 stakeholders from across southeast Saskatchewan. The agenda for the day-long forum included department updates on programs beneficial to the delegates and their respective communities and businesses. A group activity created a picture of the diversity of tourism resources in the area and examined opportunities for cross-promotion and collaboration. Feedback from the pilot project was considered in planning for the second Tourism Talks event, held in March at Waters Edge Eco Lodge, near Meadow Lake. Twenty-five tourism operators and representatives attended the meeting.

Saskatchewanwanderer – Collaboration between Tourism Saskatchewan and the Ministries of Agriculture, Economy and Parks, Culture and Sport enables a full-time, four-season “ambassador” to travel the province and share Saskatchewan stories through social media channels. The 2016 Saskatchewanwanderer, Neil Fisher, brought multiple talents to the role and his impressive photography captured the province’s geographic splendour. Fisher’s successor, Andrew Hiltz, was introduced as the 2017 Saskatchewanwanderer in January.

Tourism HR Canada – Tourism Saskatchewan’s relationship with Tourism HR Canada involved STEC’s participation in the 2017 Labour Market Forum, held in Ottawa. Representatives from government, national associations, employers and the human resource organization network gathered to develop strategies for addressing skilled labour shortages and critical human capital priorities. STEC also recruited participation by the Saskatchewan Hotel and Hospitality Association and the Saskatchewan Indian Gaming Authority.



Cypress Hills Interprovincial Park



Meadow Lake Provincial Park

Saskatchewan Provincial Parks – Tourism Saskatchewan continued to provide telephone services for the Saskatchewan Provincial Parks toll-free number. Staff training programs were delivered in 2016 by STEC in each park region, and included WorldHost Fundamentals workshops for gate staff, as well as three-hour customized Customer Service for Provincial Parks presentations for all staff. Planning proceeded for annual delivery of programs beneficial to park employees.

Saskatchewan Indian Gaming Authority (SIGA) – Tourism Saskatchewan engaged in discussions with SIGA about creating a new competitive powwow that would potentially become one of the largest powwows in North America and would attract hundreds of participants and visitors to Saskatchewan.

Saskatchewan Craft Brewers Association – A new partnership between Tourism Saskatchewan, the Saskatchewan Craft Brewers Association, Tourism Saskatoon, Economic Development Regina Inc. and the Saskatchewan Artisan Wine and Spirits Association enabled the creation of a web map that identifies the locations of Saskatchewan wineries, micro-breweries and distilleries.

SaskMusic – Tourism Saskatchewan and SaskMusic engaged in preliminary discussion of partnership opportunities and the potential for bringing music events to more rural Saskatchewan communities.

STRATEGIC PRIORITY: FOSTERING OPERATIONAL EXCELLENCE

Key Action:

Develop and utilize systems and processes to support effective communication and knowledge sharing

Results:

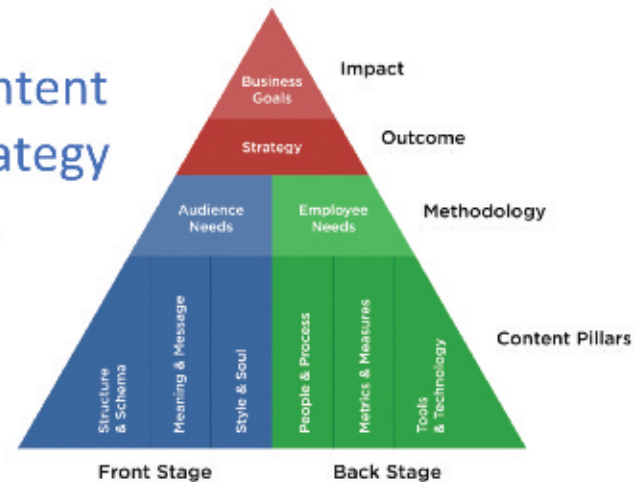
Content Strategy Project – In November 2016, Tourism Saskatchewan contracted Content Strategy Inc. (CSI) to conduct a consumer-facing Content Strategy Project. The project's over-arching goals were to ensure better user experiences for travellers and potential travellers; adapt content and marketing methods and tactics to succeed in an increasingly digital world; create more effective content that is targeted to consumer demands; and develop new internal processes and team structures that are more efficient and that can achieve the content strategy's overall vision.

An internal working group, led by a small steering committee, participated in a series of onsite workshops and training sessions led by CSI. A Findings and Foundations Report was delivered in February and included the results of two consumer focus groups (Saskatoon and Calgary), as well as data from an online survey of more than 1,600 Saskatchewan, Alberta and U.S. residents. A content inventory and audit was undertaken. More than 100 corporate documents and research reports, along with the outcomes of internal stakeholder interviews and staff workshops, were evaluated. These findings formulated the basis for the Final Recommendations Report, delivered on March 31.

The comprehensive document offered new approaches to conducting business and fresh, effective strategies that address a range of responsibilities, processes and functions, including:

- website information architecture, social media channels, print literature
- identification and detailed description of three primary consumer personas and additional sub-segments
- new content ecosystem
- taxonomy framework
- consumer-focused content journey mapping
- content models and playbook
- editorial calendar and schedule
- governance model regarding content lifecycle, team structure, content engine, content toolkit, areas of responsibility

Content
strategy
is...



The recommendations will form the basis of an implementation plan, which will move forward in 2017-2018. The new content strategy will create more effective and efficient internal processes, while the improved messaging and new approaches will position Saskatchewan more competitively as a travel destination.

IndustryMatters.com – Tourism Saskatchewan's industry website, IndustryMatters.com, received 41,288 visits, 29,274 unique visitors and 76,015 page views in 2016-2017. A comprehensive review of the site, conducted in 2015-2016, contributed to a revised information architecture plan. A staff member within the Communications department was assigned to oversee the implementation of the new site architecture and technical upgrade. Content and traffic analytics will be evaluated to determine the website's deficiencies and build a framework for new content that engages stakeholders and serves Tourism Saskatchewan's mandate. The revised website, scheduled to go live in mid-2017, will offer a more streamlined and intuitive site structure, as well as updated visual elements to more closely align with the consumer website. The technical upgrades will also allow for future enhancements, such as log-in portals and other user-friendly features.



Dan Cardinal, Tourism Employee of the Year

Saskatchewan Market Segments – Tourism Saskatchewan worked with its research agency of record, Insightrix, and international experts, Environics Analytics, to identify key Canadian travel market segments for Saskatchewan. The segments were developed into profiles that identify characteristics of existing and potential markets. The profiles will continue to be used to guide and refine marketing activities.

Website Merger – To achieve greater consistency and efficiency, the Saskatchewan Provincial Parks website, saskparks.net, was merged with Tourism Saskatchewan's consumer website. Work was completed to transfer provincial parks marketing information to TourismSaskatchewan.com. A content management system was created to enable appropriate staff to directly enter parks information, update news and event details, and perform other relevant administrative functions. A new, interactive mapping feature was developed, for introduction in 2017-2018. The resource provides additional service to travellers, enabling them to choose accommodations and activities.

Top Five Tips – A suite of educational one-page PDF documents, launched in 2015-2016, continued with the addition of 10 new topics. Top Five Tips offer advice and ideas to tourism operators and stakeholders on improving their business. A range of tips addressed topics, such as marketing to

millennials, mentoring and coaching employees, responding to online reviews, marketing urban experiences, retaining staff, effective online advertising and more. These resources were a regular feature in issues of Tourism Saskatchewan's quarterly newsletter, *Going Places*, and are available on the IndustryMatters.com website.

Saskatchewan Tourism Awards of Excellence – Tourism Saskatchewan organizes the annual Saskatchewan Tourism Awards of Excellence Gala and administers the online nomination process. The 27th annual gala was held in Regina on April 14, 2016. A 15-person external panel selected the 33 finalists and 11 award recipients from more than 80 nominations. A new category, the Tourism Builder Award, was created to honour individuals who have made tourism an important part of their life's work and whose actions have had a positive impact on the tourism industry. Royce Pettyjohn (Maple Creek), Brian Swidrovich (Saskatoon) and Mary-Anne Wihak (Regina) formed the inaugural class of Tourism Builders in 2016.

Canadian Tourism Awards – The Canadian Tourism Awards have become the standard of excellence for businesses and organizations in the travel industry, and showcase the nation's best tourism products, services and experiences. Saskatchewan's tourism industry was honoured with two Canadian Tourism Awards in November 2016. Wanuskewin Heritage Park received the National Aboriginal (Indigenous) Cultural Tourism Award, sponsored by the Aboriginal Tourism Association of Canada. Dan Cardinal was honoured with the Tourism Employee of the Year Award, sponsored by Tourism HR Canada. Cardinal is regarded as the face of the Sheraton Cavalier Saskatoon Hotel, where he has welcomed and served guests for 47 years. Earlier in the year, he was named Employee of the Year at the Saskatchewan Tourism Awards of Excellence Gala, as well as by Starwood Hotels and Properties of North America.

Tourism Professional Recognition Dinners – The 23rd Annual Tourism Professional Recognition Dinner was held in Saskatoon, following the Tourism Workplace Leadership Conference. The event celebrated the achievements of 56 recently certified *emerit* professionals and eight tourism journeypersons. Employers of Choice for 2016 were recognized, and Tourism Ambassador Awards were presented to Greg Monson (recreation and entertainment industry), Nancy Range

(accommodation industry), Czarina Sastaunik (travel services industry) and Paul Wheeler (Educator of the Year).

Saskatchewan Tourism Week – Tourism Saskatchewan led the celebration of Saskatchewan Tourism Week from May 29 to June 4, coinciding with Tourism Week in Canada. More than 30 events were held in communities across the province to celebrate this important week for industry.

Key Action:

- Identify and integrate innovative and creative solutions to achieve continuous improvement

Results:

Strategic Planning – Tourism Saskatchewan's Strategic Plan 2017-2021 was approved by the Board of Directors. Plans, projects and activities for the 2017-2018 fiscal year align with priorities to:

- Market Saskatchewan's tourism experiences and stories
- Strengthen Saskatchewan's tourism experiences
- Engage stakeholders to improve destination competitiveness
- Nurture an internal culture focused on excellence

Continuous Improvement – Tourism Saskatchewan advanced continuous improvement efforts through implementation of Design Thinking concepts and other techniques. Five staff teams were assembled to advance projects to improve industry communications, streamline application-based funding programs, redesign IndustryMatters.com, host a Tourism Talks series and develop a content strategy for implementation across consumer marketing channels.

Visibility Walls – The four Corporate Services departments created unique visibility walls in the Regina office. The displays provide staff with information about the work and achievements in each division.

Process Improvements – Recommendations from the 2015-2016 accounts receivable process review resulted in the implementation of an online credit card payment system, which provides customers with an alternative payment option. The organization also implemented remote deposit for cheques received. These systems have resulted in improved processes and administrative efficiencies, benefitting both the organization and customers.

Recommendations from the 2016-2017 payroll process review led to the development of new technology applications for implementation in 2017-2018. These enhancements will have a positive impact on employee productivity.

Data Centre – Improvements were made to overall network performance and reliability. These included increases in data storage capacity and overall bandwidth capacity. Offsite backup, business continuity and disaster preparedness systems were upgraded and tested.

Key Action

- Support an internal culture that encourages continuous employee development to ensure a committed and engaged workforce

Results:

Employee Engagement – A comprehensive annual Employee Engagement and Culture Survey was delivered to measure the effectiveness of organizational activities and measure the employee engagement index of Tourism Saskatchewan staff. Several questions are customized for Tourism Saskatchewan, while the majority of the survey mirrors content used by the Government of Saskatchewan and other provincial public sectors, thereby enabling comparison on a provincial and national basis.

Employee Wellness – A bi-monthly Million Steps Challenge was launched to focus attention on the physical health of employees. The challenge encourages the team to reach a group steps target while celebrating the individual employee who achieves the most steps during the month.

Celebrating Excellence – The second annual Tourism Superstar Awards were presented to employees who demonstrate superior performance in teamwork, customer service, creativity and innovation and leadership. Superstars are chosen through a peer nomination and selection process. Tourism Saskatchewan was also awarded its 8th annual designation as an Employer of Choice, a recognition of best practices in Human Resources.

PERFORMANCE MEASURES

The following Balanced Scorecard outlines the deliverables, performance measures, and targets to be met by Tourism Saskatchewan in accordance with the Strategic Business Plan.

| Deliverable | Performance Measure | Unit | 2014-2015 Actual | 2015-2016 Actual | 2016-2017 Target | 2016-2017 Actual |
|-------------------------------------|---|------|------------------|------------------|------------------|----------------------------------|
| 1. Marketing Results ¹ | Total marketing partnerships with industry | # | 1,859 | 1,731 | 1,685 | 1,719 |
| 2. Marketing Results ² | Total expenditure of industry partners involved in marketing activities | \$ | 1.45M | 1.07M | 1.04M | 1.01M |
| 3. Events ³ | Tourism Saskatchewan expenditure on supported events | \$ | 3.85M | 1.15M | 1.2M | 1.56M |
| 4. Events | Total industry partnerships in events supported by Tourism Saskatchewan | # | 38 | 32 | 25 | 38 |
| 5. Training Delivery | Participants in training programs | # | 5,008 | 5,550 | 5,000 | 7,084 ⁴ |
| 6. Product Development | Online Reputation Manager | # | - | - | 25 | 40 |
| 7. Product Development ⁵ | Quality Tourism Experiences | # | n/a | 6 in development | 3 in market | 18 in development 4 in market |

| Industry Outcomes | Performance Measure | Unit | 2014 | 2015 | 2016 |
|------------------------|--|------|----------|----------|---------|
| A. Tourism Revenues | Total expenditures by travellers in Saskatchewan | \$ | 2.15B | 2.15B | n/a |
| B. Visits | Same day and overnight visits in Saskatchewan | # | 12.5M | 12.2M | n/a |
| C. Events ⁶ | Number of individuals employed | \$/# | 17.8M/13 | 28.8M/18 | 7.1M/21 |
| D. Employment | Number of individuals employed in a tourism-related profession | # | 56,900 | 64,700 | 64,600 |

1. The target represents allocated budget for partnership marketing. Additional funds may be allocated, if available.

2. See note 1.

3. In 2014-2015, approximately 80 per cent and 75 per cent of funding, respectively, was attributed to a small number of one-time major events/projects, including the 2014 North American Indigenous Games and *Corner Gas: The Movie*.

4. Increase due primarily to mandatory responsible service of alcohol training by SLGA.

5. New program that began development in 2015-2016.

6. Economic impact was calculated only on 21 events able to report visits from outside of the local area. The decrease in economic impact in 2016 was due to smaller-scale events being selected for assessment, compared to previous years.

FINANCIAL STATEMENTS

TOURISM SASKATCHEWAN

March 31, 2017

MANAGEMENT'S RESPONSIBILITY

To the Members of the Legislative Assembly of Saskatchewan:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed entirely of Directors who are neither management nor employees of Tourism Saskatchewan. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for the approval of the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of Tourism Saskatchewan's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Lieutenant Governor in Council to audit the financial statements; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.

June 15, 2017



Chief Executive Officer



Chief Financial Officer

AUDITORS' REPORT

To the Members of the Legislative Assembly of Saskatchewan:

We have audited the accompanying financial statements of Tourism Saskatchewan, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net financial assets and 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.

Auditors' 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 auditors' 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 Tourism Saskatchewan as at March 31, 2017 and the results of its operations, changes in net financial assets and its cash flows for year then ended in accordance with Canadian Public Sector accounting standards.



Regina, Saskatchewan

June 15, 2017

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

| | 2017 | 2016 (Restated - Note 13) |
|--|--------------------|------------------------------|
| FINANCIAL ASSETS | | |
| Cash (Note 5) | \$2,846,778 | \$3,837,587 |
| Accounts receivable | 450,220 | 470,131 |
| Inventory for resale | 4,808 | 961 |
| | 3,301,806 | 4,308,679 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | \$1,110,645 | \$1,301,764 |
| Unearned revenue | 134,284 | 270,475 |
| | 1,244,929 | 1,572,239 |
| NET FINANCIAL ASSETS | 2,056,877 | 2,736,440 |
| NON FINANCIAL ASSETS | | |
| Tangible capital assets (Note 6) | 983,499 | 1,114,051 |
| Prepaid expenses | 232,556 | 269,779 |
| | 1,216,055 | 1,383,830 |
| ACCUMULATED SURPLUS | \$3,272,932 | \$4,120,270 |

Contractual Obligations (Note 7)

Designated Assets (Note 8)

See accompanying notes to financial statements.

APPROVED BY THE BOARD:


Director


Director

STATEMENT OF OPERATIONS

For the Year Ended March 31

| | Budget 2017 (Note 3) | 2017 | 2016 (Restated - Note 13) |
|---|----------------------------|--------------------|------------------------------|
| REVENUE | | | |
| Provincial Operating Grant (Note 9) | \$14,153,000 | \$13,737,000 | \$14,532,000 |
| Other Grants and Contributions | 1,672,500 | 1,512,446 | 1,303,232 |
| Sales of Products and Services | 703,770 | 774,973 | 698,707 |
| Partnership | 660,000 | 571,190 | 560,408 |
| Interest and other | 66,200 | 120,291 | 90,725 |
| | 17,255,470 | 16,715,900 | 17,185,072 |
| EXPENSES (Schedule 1) | | | |
| Administration | 4,639,027 | 4,054,580 | 4,118,754 |
| Marketing | 6,985,980 | 7,186,267 | 7,654,378 |
| Industry Development | 2,810,156 | 3,038,211 | 2,606,278 |
| Education and Training | 2,537,092 | 2,352,144 | 2,034,444 |
| Visitor Services | 958,215 | 932,036 | 907,406 |
| | 17,930,470 | 17,563,238 | 17,321,260 |
| (DEFICIT) SURPLUS FOR THE YEAR | \$(675,000) | \$(847,338) | \$(136,188) |
| Accumulated surplus - beginning of year, as previously stated | - | | 4,921,274 |
| Change in classification (Note 13) | | | (664,816) |
| Accumulated surplus - beginning of year, as restated | \$4,120,270 | 4,120,270 | 4,256,458 |
| Accumulated surplus - end of year | \$3,445,270 | \$3,272,932 | \$4,120,270 |

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the Year Ended March 31

| | Budget 2017 (Note 3) | 2017 | 2016 (Restated - Note 13) |
|---|----------------------------|--------------------|------------------------------|
| (Deficit) Surplus for the year | \$(675,000) | (847,338) | \$(136,188) |
| Acquisition of tangible capital assets | (810,000) | (88,989) | (277,765) |
| Amortization of tangible capital assets | 750,000 | 219,541 | 446,605 |
| | (735,000) | (716,786) | 32,652 |
| Use (purchase) of prepaid expenses and supplies | - | 37,223 | (39,454) |
| Decrease in net financial assets | (735,000) | (679,563) | (6,802) |
| Net financial assets - beginning of year | 2,736,440 | 2,736,440 | 2,743,242 |
| Net financial assets - end of year | \$2,001,440 | \$2,056,877 | \$2,736,440 |

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended March 31

| | 2017 | 2016 (Restated - Note 13) |
|---|--------------------|------------------------------|
| OPERATING ACTIVITIES | | |
| (Deficit) Surplus for the year | \$(847,338) | \$(136,188) |
| Items not requiring cash: | | |
| Amortization of tangible capital assets | 219,541 | 446,606 |
| Net change in non-cash balances relating to operations: | | |
| Accounts receivable | 19,910 | (32,158) |
| Inventory | (3,847) | 1,275 |
| Prepaid expenses | 37,223 | (39,454) |
| Accounts payable and accrued liabilities | (191,118) | (4,985) |
| Unearned revenue | (136,191) | (13,439) |
| | (901,820) | 221,657 |
| CAPITAL ACTIVITIES | | |
| Acquisition of tangible capital assets | (88,989) | (277,766) |
| | (88,989) | (277,766) |
| Decrease in cash | (990,809) | (56,109) |
| Cash - beginning of year | 3,837,587 | 3,893,696 |
| Cash - end of year | \$2,846,778 | \$3,837,587 |

See accompanying notes to financial statements.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

1. STATUS OF TOURISM SASKATCHEWAN

Tourism Saskatchewan was established pursuant to The *Tourism Saskatchewan Act* proclaimed on July 1, 2012. Tourism Saskatchewan is a Treasury Board Crown Corporation within the meaning of *The Crown Corporations Act, 1993*. Tourism Saskatchewan is a continuing corporation of Saskatchewan Tourism Authority, established under *The Tourism Authority Act on October 1, 1994*. Tourism Saskatchewan promotes the province as a tourism destination by providing in-province and out-of-province marketing and visitor services. Tourism Saskatchewan assists industry to market and develop quality tourism products through co-operative marketing, education and training and event funding programs.

Tourism Saskatchewan is exempt from income taxes under the *Income Tax Act*.

2. SIGNIFICANT ACCOUNTING POLICIES

The Statement of Remeasurement Gains and Losses has been omitted as there were no relevant transactions to report.

a. Basis of Accounting

These financial statements are prepared by management in accordance with Canadian public sector accounting standards for provincial reporting entities established by the Canadian Public Sector Accounting Board.

b. Measurement Uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include accounts receivable, accrued liabilities and amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

c. Cash

Cash is comprised of monies on deposit and is recognized at their fair value. Fair value is approximated by the instrument's initial cost in a transaction between unrelated parties.

d. Inventory for Resale

Inventory for resale is valued at the lower of cost and net realizable value. Cost of merchandise is determined principally on a first-in, first-out basis. Inventory cost includes the costs of purchase plus other costs, such as taxes and transportation that are directly incurred to bring inventories to their present location.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

e. Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

f. Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Tangible capital assets are amortized over their estimated useful lives. Amortization expense is calculated using the straight-line method at the following annual rates:

| | |
|--------------------------------|-------------------|
| Furniture and equipment | 10% |
| Computer equipment and systems | 20% |
| Leasehold improvements | 10% or lease term |
| Signs and displays | 10% |

When tangible capital assets no longer contribute to Tourism Saskatchewan's ability to provide goods and services, they are written down to residual value.

g. Revenue

Grants and contributions are recognized as revenues when the grant or contribution is authorized, any eligibility criteria are met, and reasonable estimates of the amounts can be made, unless the transfer stipulations establish a liability, in which case revenue is recognized as the stipulations are met.

Other revenue, which includes partnership, sales of products and services and interest revenue, is recognized in the period in which the transactions or events occurred that give rise to the revenue.

h. Grants to Clients

Grants provided to clients for a variety of programs are recorded as an expense by Tourism Saskatchewan when it approves the transfer and the recipient meets the eligibility criteria.

3. BUDGET

The budget figures are presented for comparison purposes. Tourism Saskatchewan's 2016-17 budget was approved by the Board of Directors on March 10, 2016.

4. FINANCIAL INSTRUMENTS

Tourism Saskatchewan's financial instruments include cash, accounts receivable, accounts payable, accrued liabilities. The carrying amount of these instruments approximate fair value due to their immediate or short-term maturity. These instruments do not have significant interest rate or credit risk.

5. CASH

Tourism Saskatchewan has access to an operating line of credit in the amount of \$500,000, repayable on demand with interest paid monthly, at the Scotiabank prime rate less 0.25%. As of March 31, 2017, Tourism Saskatchewan has not drawn on the operating line. In 2016, there were no draws on the operating line.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

6. TANGIBLE CAPITAL ASSETS

| | Furniture and equipment | Computer equipment and systems | Leasehold improvements | Signs and displays | 2017 Total | 2016 Total (Restated) |
|---------------------------------|-------------------------------|---|---------------------------|--------------------------|------------|--------------------------|
| Cost | | | | | | |
| Opening Balance | 247,973 | 1,774,325 | 1,295,310 | 75,596 | 3,393,204 | \$3,158,989 |
| Additions | - | 88,989 | - | - | 88,989 | 277,765 |
| Disposals | (4,316) | - | - | - | (4,316) | (43,550) |
| Write-downs | - | - | - | - | - | - |
| Closing Balance | 243,657 | 1,863,314 | 1,295,310 | 75,596 | 3,477,877 | 3,393,204 |
| Accumulated Amortization | | | | | | |
| Opening Balance | 185,397 | 1,232,711 | 840,101 | 20,944 | 2,279,153 | 1,875,948 |
| Amortization | 10,335 | 74,237 | 129,532 | 5,437 | 219,541 | 446,755 |
| Disposals | (4,316) | - | - | - | (4,316) | (43,550) |
| Write-downs | - | - | - | - | - | - |
| Closing Balance | 191,416 | 1,306,948 | 969,633 | 26,381 | 2,494,378 | 2,279,153 |
| Net Book Value | 52,241 | 556,366 | 325,677 | 49,215 | 983,499 | 1,114,051 |

7. CONTRACTUAL OBLIGATIONS

Contractual obligations include:

Leases

Tourism Saskatchewan has entered into leases for office premises and storage space at various locations in the province.

Operational

Tourism Saskatchewan has operating agreements that enable day-to-day operations of the corporation.

Program

Tourism Saskatchewan has program-related obligations to assist Saskatchewan's tourism industry operators to market and develop quality tourism products through co-operative marketing, education and training and event funding programs.

| | Leases | Operational | Program | Total |
|------------|--------------------|-------------------|-------------------|--------------------|
| 2017-18 | \$ 798,841 | \$ 105,888 | \$ 252,333 | \$1,157,062 |
| 2018-19 | 678,509 | 49,411 | 1,500 | \$ 729,420 |
| 2019-20 | 588,844 | - | - | \$ 588,844 |
| 2020-21 | 614,304 | - | - | \$ 614,304 |
| 2021-22 | 616,520 | - | - | \$ 616,520 |
| thereafter | 1,900,936 | - | - | \$1,900,936 |
| | \$5,197,954 | \$ 155,299 | \$ 253,833 | \$5,607,086 |

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

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

8. DESIGNATED ASSETS

Tourism Saskatchewan is holding \$470,000 as designated assets to be spent on the marketing program in future years.

In 2016, Tourism Saskatchewan had designated assets of \$675,000 for the following:

| | |
|---------------------------------|-----------|
| • Marketing | \$450,000 |
| • Event Hosting Funding Program | \$175,000 |
| • Education and Training | \$50,000 |

9. PROVINCIAL OPERATING GRANT

Tourism Saskatchewan receives grants from the General Revenue Fund out of monies appropriated by the legislature or authorized by Order in Council. In 2017, Tourism Saskatchewan received \$13,737,000 (2016 - \$14,532,000).

10. RELATED PARTY TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to Tourism Saskatchewan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control or significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end are as follows:

| | 2016-17 | 2015-16 |
|--|-----------|-----------|
| Accounts Receivable | \$38,150 | \$109,174 |
| Accounts Payable and Accrued Liabilities | 53,505 | 105,649 |
| Other Revenue | 571,002 | 500,432 |
| Expenses | 1,374,043 | 1,457,619 |

Other related party transactions are disclosed elsewhere in these financial statements.

11. DEFINED CONTRIBUTION PENSION PLAN

Tourism Saskatchewan participates in the Public Employees' Pension Plan (PEPP), a defined contribution plan. Tourism Saskatchewan's obligations are limited to matching contributions made by the employees, up to a rate of 7.5%, for current services. In 2017, Tourism Saskatchewan contributed \$455,821 (2016 - \$438,825).

12. COMPARATIVE FIGURES

Certain comparative figures have been re-classified to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

13. CHANGE IN CLASSIFICATION

During the year, Tourism Saskatchewan re-examined the treatment of expenditures on video footage and images. Previously, Tourism Saskatchewan capitalized these expenditures, and amortized them over the estimated useful life. Upon re-examination, Tourism Saskatchewan has determined that the expenditures should be classified as intangibles, and therefore expensed under Public Sector Accounting Standards. The change in classification has the following retroactive impact on the financial statements.

| | 2016 |
|--|---------------|
| Tangible capital assets | \$(1,113,190) |
| Accumulated surplus - beginning of year, as restated | (664,816) |
| Amortization expense | 306,595 |
| Marketing expense | (754,969) |
| (Deficit) Surplus for the year | (448,374) |
| Accumulated surplus – end of year | (1,113,190) |

SCHEDULE OF EXPENSES

Schedule 1 - Expenses by Program For the Year Ended March 31

| | Administration | Marketing | Industry Development | Education and Training | Visitor Services | 2017 | 2016 (Restated - Note 13) |
|---------------------------------|--------------------|--------------------|----------------------|------------------------|------------------|---------------------|------------------------------|
| Salaries | \$1,683,837 | \$2,114,675 | \$860,918 | \$888,259 | \$592,259 | \$6,139,948 | \$6,049,458 |
| Benefits | 319,371 | 323,733 | 131,880 | 142,543 | 100,866 | 1,018,393 | 988,593 |
| Professional Services | 477,828 | 290,545 | 173,163 | 925,307 | 77,916 | 1,944,759 | 1,624,171 |
| Advertising | - | 2,762,115 | 1,460 | 54 | - | 2,763,629 | 3,309,011 |
| Promotion and Other Marketing | 28,441 | 1,105,106 | 528,644 | 3,120 | 136,425 | 1,801,736 | 1,893,504 |
| Print | 714 | 213,892 | 370 | 14,331 | - | 229,307 | 251,299 |
| Travel | 22,125 | 128,603 | 35,598 | 57,372 | 9,768 | 253,466 | 328,831 |
| Board and Committees | 31,436 | - | - | - | - | 31,436 | 13,729 |
| Rent and Equipment Purchases | 906,219 | 223 | - | 8,823 | 6,792 | 922,057 | 879,518 |
| Supplies and Services | 273,717 | 49,580 | 13,470 | 22,922 | 7,155 | 366,844 | 324,858 |
| Other Related Business Expenses | 91,351 | 31,331 | 93,968 | 27,012 | 855 | 244,517 | 217,015 |
| Amortization | 219,541 | - | - | - | - | 219,541 | 446,605 |
| Grants | - | 166,464 | 1,198,740 | 262,401 | - | 1,627,605 | 994,668 |
| Total | \$4,054,580 | \$7,186,267 | \$3,038,211 | \$2,352,144 | \$932,036 | \$17,563,238 | \$17,321,260 |



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