



SASKATCHEWAN

Provincial Auditor Saskatchewan

1500 Chateau Tower
1920 Broad Street
Regina, Saskatchewan
S4P 3V7

Phone: (306) 787-6366
Fax: (306) 787-6383
Internet e-mail: fwendel@auditor.sk.ca

September 13, 2001

The Honourable P. Myron Kowalsky
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour of submitting my *2001 Fall Report - Volume 1*, to be laid before the Legislative Assembly in accordance with the provisions of Section 14 of *The Provincial Auditor Act*.

Respectfully yours,

Fred Wendel, CMA, CA
Acting Provincial Auditor

/dd

Foreword

I am pleased to present my *2001 Fall Report – Volume 1* to the Legislative Assembly. This Report focuses on understanding the finances of the Government. Later this year, I will present Volume 2. Volume 2 will include the results of our work at other government organizations with years ended March 31, 2001.

Regina, Saskatchewan
September 13, 2001

Fred Wendel, CMA, CA
Acting Provincial Auditor

Understanding the Finances of the Government

Executive summary	1
Glossary	3
Key financial and economic indicators for Saskatchewan	5
Introduction	7
The state of the Government's finances	9
Key indicators of the state of a government's finances	10
The Government's deficit and Saskatchewan's gross domestic product	11
The Government's accumulated deficit and interest costs	14
Transfers from the Federal Government	17
The Government's own source revenue	20
Overall financial planning information needed	21
Recommendation	23
Appendix 1 – Other questions and answers	24
Appendix 2 – Other more detailed information	34
Appendix 3 – Proposed model for an overall Government financial plan	40
Appendix 4 – The Government's 2000-01 summary financial statements	40

This page left blank intentionally.

Executive summary

In this report, we measure the financial condition of the Government by using indicators recommended by The Canadian Institute of Chartered Accountants.

First, we measure the Government's ability to pay the accumulated deficit and to sustain its existing programs from Saskatchewan's economy. Second, we measure the Government's flexibility to meet rising commitments by increasing its revenues or increasing its accumulated deficit. Third, we measure the extent to which the Government relies on money from the Federal Government to pay for existing provincial programs.

Using these indicators, we conclude that the state of the Government's finances continues to improve, but the Government must continue to carefully manage its revenues and expenditures. As the state of the Government's finances improves, there is more pressure to increase Government expenditures. However, the Government's accumulated deficit of \$7.9 billion is still large for a population of one million people and Saskatchewan's economy remains vulnerable to changes in commodity prices, interest rates, and the weather. A downturn in Saskatchewan's economy would require the Government to make difficult decisions on revenue raising and spending.

For the first time, we have included interprovincial comparisons. These comparisons are based on the most recent audited financial information available and allow readers to compare the condition of Saskatchewan's finances to that of other provinces. Saskatchewan's finances compare favourably with most other provinces.

In this report, we also recommend that the Government publish a financial plan showing the entire Government to help legislators, government officials, and the public debate the best use of the public resources available to the Government. The public needs this information to know if we can afford new and existing government programs.

Currently, the Government's overall financial planning information is focused on the General Revenue Fund. This information is not sufficient to understand the state of the finances of the entire Government because

Understanding the Finances of the Government

it excludes a significant amount of revenue available to the Government. For example, in 2001, the annual surplus reported for the General Revenue Fund is \$58 million, while the real surplus for the entire Government is \$506 million.

It is time to change the focus of the Government's financial plan from the General Revenue Fund to that of the entire Government. Across Canada, seven provincial governments and the Federal Government have already changed the focus of their overall financial planning to show their entire government. These governments have moved away from presenting a budget based on part of the government. By doing so, they foster an informed debate about the impact of their budgets on their entire governments financial condition and the affordability of new and existing programs. The only governments that do not focus their overall financial planning on the entire government are Saskatchewan, Newfoundland, and Prince Edward Island.

Glossary

Annual surplus or deficit – is the difference between a government's revenues and expenses in one year. This measure shows the extent to which revenues raised in the year were sufficient or insufficient to meet expenses in that year.

Accumulated deficit – is the sum of all annual deficits and surpluses. This deficit is equal to the difference between a government's total liabilities and its total financial assets.

Liabilities – are amounts owed by a government. A government's liabilities include bonds and debentures, pension obligations, and a variety of other payables and claims. A government's total liabilities equals its total debt.

Financial assets – are cash and other assets convertible to cash which are not intended for consumption in the normal course of operations, but which could provide resources to pay liabilities or finance future operations. Examples include claims on outside organizations, investments in marketable securities, and inventories for resale.

General Revenue Fund – is a special purpose fund the Government uses to pay for some of the programs it provides. The financial statements of the General Revenue Fund reflect only a part of the Government's activities. The Government sets out a financial plan for the Fund in its annual budget. Transfers to and from other organizations that the Government controls impact the financial results of the General Revenue Fund.

Government enterprises – are self-sufficient Crown corporations that have the financial and operating authority to sell goods and services to individuals and non-government organizations as their principal activity. Examples include SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. Their financial results are included in Schedule 3 to the summary financial statements.

Understanding the Finances of the Government

Government service organizations – are organizations that are accountable to government and are either owned or controlled by the Government, and are not government enterprises. A listing of government service organizations is provided in Schedule 14 to the summary financial statements.

Gross domestic product (GDP) – is a measure of the value of the goods and services produced in a jurisdiction in one year.

Own source revenue – is the revenue raised by a provincial government from sources within the province and, thus, excludes revenue transferred to a provincial government from the Federal Government.

Summary financial statements – is a report of the financial results of all organizations the Government uses to provide goods and services to the public. The summary financial statements combine the financial activity of all government organizations including departments, Crown corporations, agencies, boards, and commissions, etc.

Key financial and economic indicators for Saskatchewan

(derived from the Government's summary financial statements)

	(in millions)										
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Annual Surplus (Deficit)	(740)	(1,670)	(846)	(253)	184	574	557	368	128	418	506
Accumulated Deficit	7,885	9,555	10,401	10,654	10,470	9,896	9,339	8,971	8,843	8,425	7,919
Gross Domestic Product (GDP)	21,436	21,794	21,366	22,930	24,704	26,609	28,907	29,116	28,749	29,908	32,918

	(in percentages)										
	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Accumulated Deficit as a % of GDP	37%	44%	49%	46%	42%	37%	32%	31%	31%	28%	24%
Interest Costs as a % of Revenue	20%	21%	24%	23%	22%	20%	20%	19%	18%	14%	13%
Federal Government Transfers as a % of own source revenue	43%	46%	37%	36%	33%	20%	16%	12%	21%	27%	17%
Own source revenue as a % of GDP	17%	17%	18%	18%	19%	20%	19%	19%	18%	19%	18%

Notes 1. The Government's summary financial statements cover the fiscal year ending March 31. As GDP statistics are not available for a fiscal year, we use GDP statistics for a calendar year in our analysis. For example, the GDP statistic in the 2001 column is for the year ended December 31, 2000. The GDP statistics were obtained from the Saskatchewan Bureau of Statistics. These GDP statistics are not adjusted for inflation.

2. This year we have changed the model used for presenting and calculating the indicators in this report. For further information see page 8.

This page left blank intentionally.

Introduction

Our Office is often asked about the state of the Saskatchewan Government's finances. Legislators, government officials, and the public want to know whether the Government's finances are gaining strength or weakening, and why. Also, many want to know where they can obtain information that can help them make their own assessments.

A sound understanding of the Government's finances is an important ingredient to an informed debate about the issues faced by the Government. Those issues pertain to the affordability of programs and services; the best sources of revenue; and the maintenance of Saskatchewan's infrastructure of roads, dams, buildings, and energy and telecommunication systems.

For Saskatchewan, a sound understanding of the Government's finances is particularly important because of the potential impact of changes in economies outside Saskatchewan and Canada. Those changes, such as changing commodity prices, impact the Saskatchewan economy, and, thus, the state of finances of the Saskatchewan Government.

In this Report, we set out some financial and economic information that should help Saskatchewan people understand and assess the state of the Government's finances. We continue to encourage the Government to publish better overall financial planning information.

The information in this Report is derived from the Government's statistical reports and from its summary financial statements contained in Volume 1 of the Public Accounts (the 2000-01 summary financial statements are set out in Appendix 4 to this Report). The information is not adjusted for inflation.

In this Report, we focus on the status of several financial and economic indicators for the years 1991 to 2001. The Government has prepared summary financial statements since 1992. In Appendix 1, we also set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials, and the public to understand the state of the Government's finances.

Change in presentation of information

This year we have changed the way we present and calculate the information in this report. We now present and calculate the information in this report using the same model as that used to report the Government's summary financial statements. This model includes the net income from Government enterprise Crown corporations in total revenue. Also, it does not include the expenses of these corporations in total expenses. The information used for this model is set out in Appendix 2A.

In previous reports, we included the revenues and expenses of Government enterprise Crown corporations in total revenue and expenses. We continue to show the information based on the previous year's model in Appendices 2B and 2C.

Although we have changed the presentation and calculation of the information, the trends presented by the indicators in this report remain consistent with our previous reports.

We changed the presentation and calculation of information for this report to make it easier for legislators and the public to compare the financial information in this report to the Government's summary financial statements and the model we propose for an overall Government financial plan as set out in Appendix 3. Also, the new presentation and calculation makes it easier to make interprovincial comparisons.

For readers who want to see how the information in this report would be presented and calculated following the model used in previous reports, we have included this information and graphs in Appendices 2B and 2C.

Interprovincial comparisons

For several years, we have been asked how the state of the Saskatchewan Government's finances compares with other provinces. Therefore, we have included several graphs that will assist readers to compare the state of Saskatchewan's finances to those of other provinces. The most recent year for which complete information is available is for the year ended March 31, 2000.

Readers of these graphs should be aware that provincial governments are organized differently and that this can result in differences in how sectors of government are reported in their financial information. For example, some provincial governments include the results of health districts in their summary financial statements, while others do not. Also, the economic characteristics of provincial economies differ. For example, some provincial governments obtain significant revenue from non-renewable resources such as oil and gas, while others do not.

To prepare these graphs, we used Gross Domestic Product statistics for the year ended December 31, 1999, which we obtained from Statistics Canada. This information was prepared for each province and is available on the Internet at: <http://www.statcan.ca/english/Pgdb/Economy/Economic/econ15.htm>. In addition, we used financial information from the audited summary financial statements prepared for each province for the year ended March 31, 2000.

The state of the Government's finances

The state of the Government's finances continues to improve. The improvement in the state of the Government's finances is the result of the Government's decision to spend less than it raises in revenues and a growing Saskatchewan economy.

Over the past seven years, the Government has been living within its means and has spent \$2.7 billion less than the revenue it has raised. The \$2.7 billion includes about \$0.9 billion of revenue from the sale of investments. Also, over the past ten years, the Government has spent all of the revenue it has raised. As a result, the accumulated deficit of \$7.9 billion is the same as it was in 1991. However, over the past 10 years, the economy has grown by about \$11.5 billion and the economy is now better able to carry the accumulated deficit and sustain existing Government programs.

As the state of the Government's finances improves, there is more pressure to increase Government expenditures. However, the Government's accumulated deficit of \$7.9 billion is still large for a population of one million people and Saskatchewan's economy remains vulnerable to changes in commodity prices, interest rates, and the weather. Therefore, the Government must continue to carefully manage

its revenues and expenditures. A downturn in Saskatchewan's economy would require the Government to make difficult decisions on revenue raising and spending.

Key indicators of the state of a government's finances

Governments should publish financial and economic information to help people assess:

- ◆ The ability of a government to meet its existing program commitments and creditor requirements without increasing its accumulated deficit – **sustainability**.
- ◆ The degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenues or by increasing its accumulated deficit – **flexibility**.
- ◆ The degree to which a government becomes dependent, and thus, vulnerable to sources of funding outside of its control or influence – **vulnerability**.

There are several financial and economic indicators that can help people make these assessments. The trends in these indicators provide insight into the state of a government's finances (the Research Report entitled *Indicators of Government Financial Condition*, published by The Canadian Institute of Chartered Accountants, describes these indicators).

In this Report, we discuss these indicators in the Saskatchewan context. Each indicator can and should be analyzed in detail, combined with other information, and monitored over time. The Government should include such an analysis in an annual performance report. Publishing an annual performance report would also provide the Government with the opportunity to set out its thinking on the underlying issues, the status of its key performance indicators, and its plans for the future.

Recently, The Canadian Institute of Chartered Accountants used similar indicators to measure progress on the state of the Federal Government's finances. Also, five other provincial audit offices use similar indicators to report on the state of government finances in their jurisdictions and other provincial audit offices are considering similar reporting.

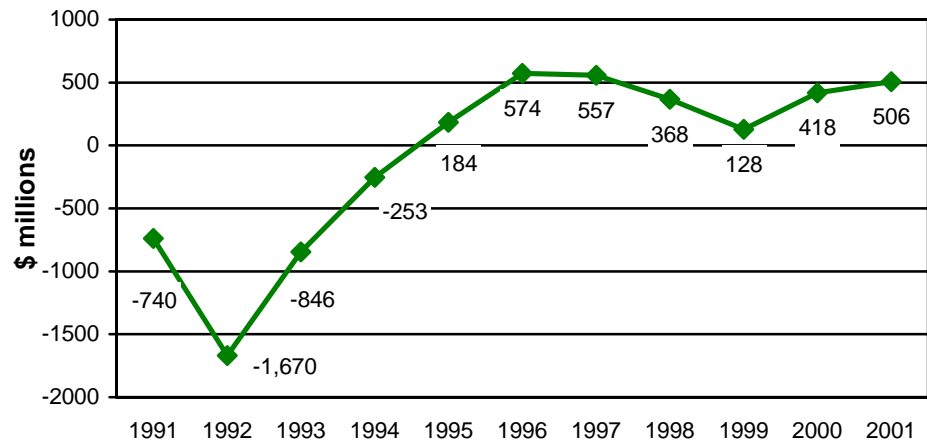
The Government's deficit and Saskatchewan's gross domestic product

A government's annual surplus or deficit, its accumulated deficit, and a province's gross domestic product (GDP) are important indicators of the state of a government's finances. Each of these indicators provides useful insight into the **sustainability** of a government's revenue raising and spending practices.

The annual surplus or deficit shows the extent to which a government spends less or more than what it raises in revenues in one fiscal year. In simple terms, it shows whether a government is living within its means.

Graph 1 shows the Government has been living within its means for the past seven years. During this period, the Government has spent \$2.7 billion less than the revenue it has raised. The \$2.7 billion includes about \$0.9 billion of revenue from the sale of investments such as the Government's shares in Cameco.

Graph 1 **The Government's
Annual Surplus or Deficit**



The accumulated deficit is the sum of all annual deficits and surpluses. The Government's accumulated deficit is the amount that current and past generations of Saskatchewan citizens are leaving to future generations of citizens to pay or finance. On March 31, 2001, the accumulated deficit was \$7.9 billion (see Graph 2).

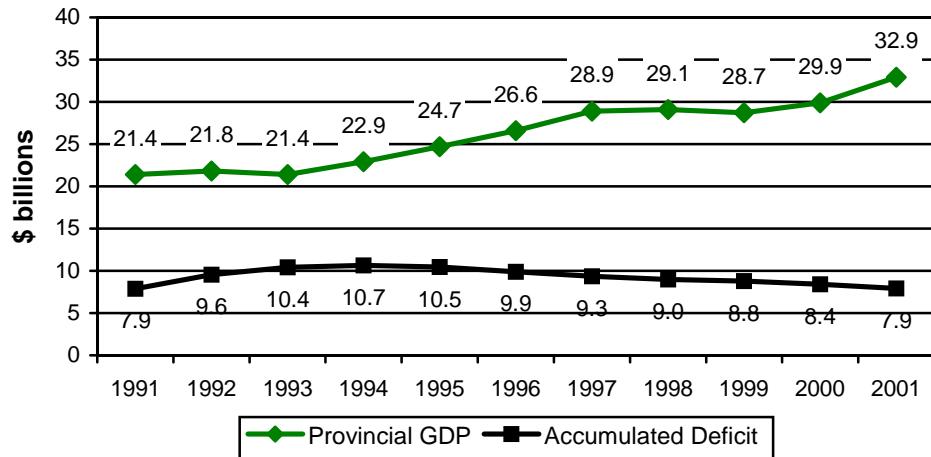
The Province's gross domestic product (GDP) is a measure of the total value of all the goods and services produced in Saskatchewan in one

Understanding the Finances of the Government

year. The GDP indicates the size of the provincial economy. The Government must manage its revenue raising and spending practices in the context of the economy of Saskatchewan.

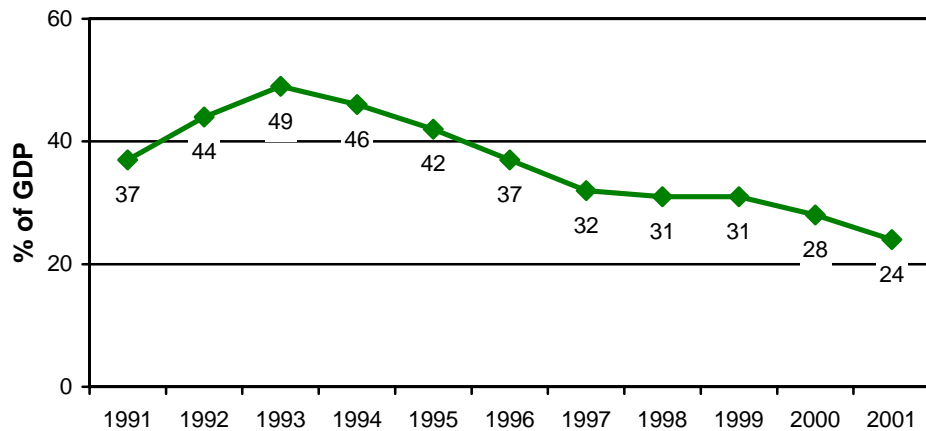
Since 1991, the GDP of Saskatchewan has increased by 54% (unadjusted for inflation). During the same period, the consumer price index increased by 24%. In 2001, the GDP of Saskatchewan was \$32.9 billion (see Graph 2).

Graph 2 The Province's GDP and the Government's Accumulated Deficit



The financial demands placed on the economy by the Government's spending and revenue raising practices can be assessed for sustainability by comparing the Government's accumulated deficit to the Province's GDP (see Graph 3).

Graph 3 The Government's Accumulated Deficit as a % of GDP



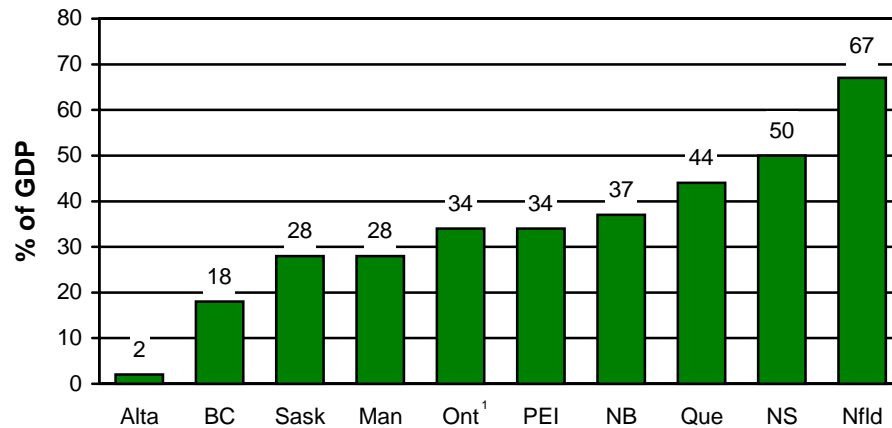
In Saskatchewan, this comparison shows that from 1991 to 1993 the trend in the Government's spending and revenue raising practices was not sustainable. If that upward trend had continued, the Saskatchewan economy would not have been able to meet the financing needs of a growing accumulated deficit. During these years, the credit rating of the Government was lowered. The Government had access to fewer sources for borrowing, paid higher interest costs, and received larger equalization payments from the rest of Canada through the Federal Government.

Saskatchewan's economy has grown over the past eleven years. Also, since 1995, the Government has been spending less than it raises in revenues. As a result, the accumulated deficit as a percentage of GDP decreased. This downward trend suggests the economy is better able to sustain the demands placed on it by the Government. Since 1995, the credit rating of the Government has improved. The Government now has more sources for borrowing, pays lower interest costs, and relies less on equalization payments.

Interprovincial comparison

In graph 4, we show an interprovincial comparison of accumulated deficit as a percentage of each province's GDP as at March 31, 2000. This graph shows that Saskatchewan's accumulated deficit as a percentage of Saskatchewan's gross domestic product is among the lowest in Canada. This means that the Saskatchewan economy is better able to sustain the demands placed on it by the Government than most other provinces. Also, graph 3 shows further improvement by Saskatchewan in 2001.

Graph 4 Interprovincial Comparison of Accumulated Deficit as a % of GDP as at March 31, 2000



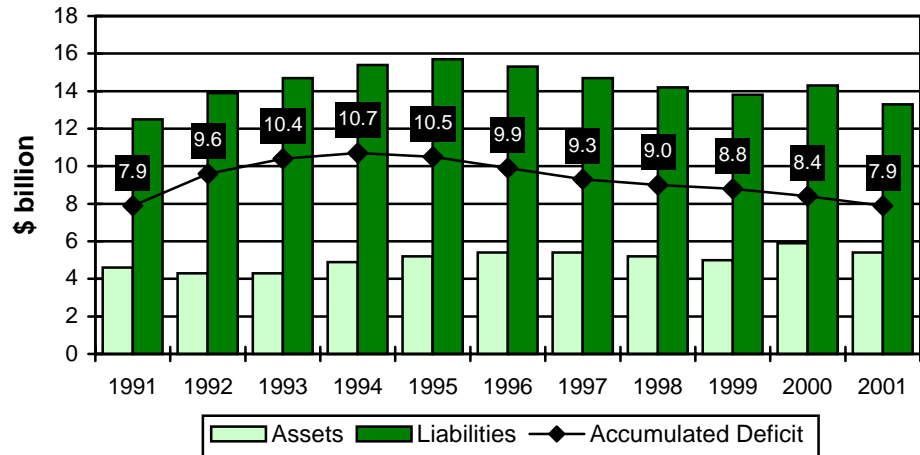
The Government's accumulated deficit and interest costs

A government's accumulated deficit and its interest costs are also important indicators of the state of its finances. These indicators provide insight into a government's **flexibility** in responding to rising commitments. When a government has a large accumulated deficit and interest costs, it has fewer resources to allocate to programs and services.

The Government's accumulated deficit reached a peak in 1994 and has decreased each year thereafter. Since 1994, the Government's accumulated deficit has decreased from \$10.7 billion to \$7.9 billion (see Graph 5). As noted earlier, the accumulated deficit is equal to the difference between a government's total liabilities and its total financial assets.

¹ Accumulated deficit includes stranded debt of \$20 billion.

Graph 5 The Government's Accumulated Deficit as at March 31

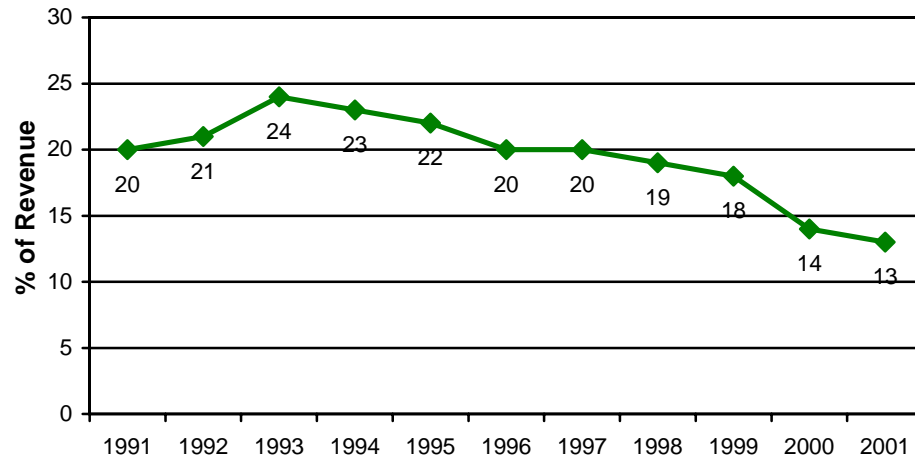


The Government incurs interest costs on its debt of bonds and debentures and its unfunded pension liabilities. At March 31, 2001, the Government's debt of bonds and debentures was \$8.0 billion and its unfunded pension liabilities were \$3.9 billion. The money to pay interest costs is raised by levying taxes or by charging directly for services, e.g., utility rates. In 2001, the Government's interest costs were \$0.9 billion. To put that \$0.9 billion in perspective, in the same year, the Government spent \$1.0 billion on education and \$2.2 billion on health.

The trend in interest costs as a percentage of total revenue, sometimes called the "interest bite", is an important indicator of the state of a government's finances. This indicator shows the extent to which a government must use revenue to pay interest costs rather than to pay for programs and services.

In 1993, twenty-four cents of every dollar of the Government's revenue was needed to pay for interest costs (see Graph 6). Since 1993, the amount of revenue the Government needed to pay for interest costs has declined. In 2001, thirteen cents of every dollar of the Government's revenue was needed to pay for interest costs. This represents a reduction in the interest bite.

Graph 6 **The Government's Interest Costs as
a % of Revenue**

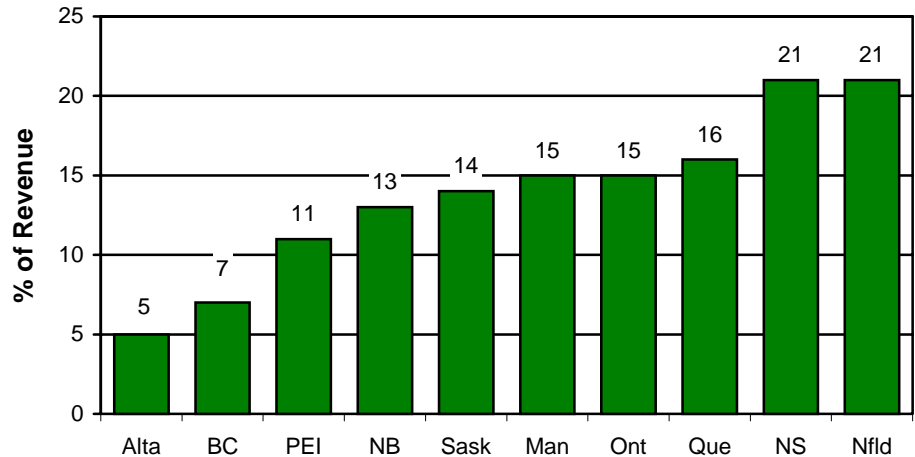


As a result of the reduction in the interest bite, the Government can now use more of its revenues to pay for programs and services, and use less of its revenues to pay for the interest costs of debt. The interest costs of debt peaked in 1995 at \$1.3 billion. In 2001, the interest costs of debt were \$391 million less than in 1995 and \$79 million less than in 2000. The reduction in the interest bite is the result of a combination of debt reduction, increased revenue, and lower interest rates on the Government's debt. Although the Government's interest costs are declining, these costs continue to be a significant expense.

Interprovincial comparison

In graph 7, we show an interprovincial comparison of government interest costs as a percentage of government revenue. This graph shows that Saskatchewan's interest costs, as a percentage of revenue, is fifth lowest of the ten provinces at March 31, 2000. Also, graph 6 shows further improvement by Saskatchewan in 2001.

Graph 7 Interprovincial Comparison of Interest Costs as a % of Revenue as at March 31, 2000



Transfers from the Federal Government

The Saskatchewan Government raises revenue from two general sources. The first revenue source is from within the Province. This source is called “own source revenue”. The second source of revenue is transfers from the Federal Government.

A significant portion of the Saskatchewan Government’s revenue consists of transfers from the Federal Government. These revenue transfers are intended to help pay for the costs of such programs as health, education, social services, and agriculture. In addition, the Saskatchewan Government receives equalization transfers from the Federal Government.

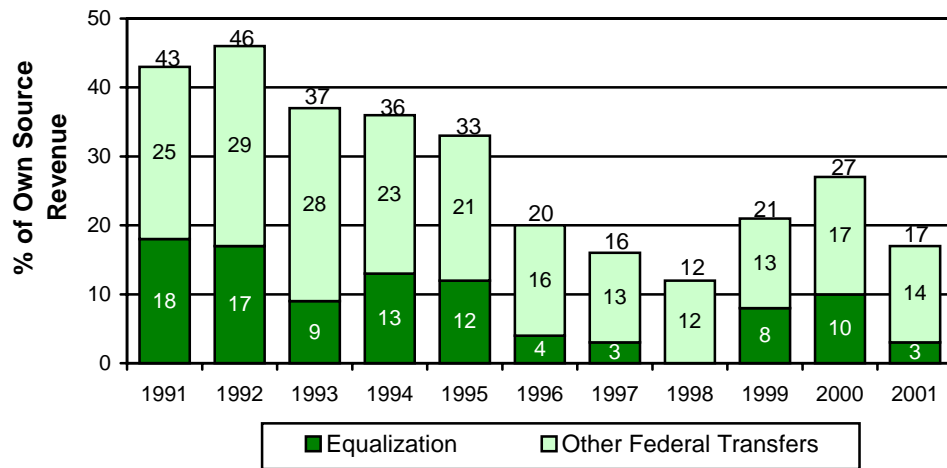
The Federal Government calculates the amount of equalization transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government. As a result of this calculation, the annual amount of equalization transfer due to Saskatchewan is significantly affected by the performance of provincial economies outside Saskatchewan.

An important indicator of the state of the Saskatchewan Government’s finances is the extent to which it raises its own revenue from within the Province (own source revenue) as compared to the extent to which it receives revenue transfers from the Federal Government. This indicator provides a valuable insight into the Saskatchewan Government’s

vulnerability to sources of revenue outside of its control. In simple terms, this indicator measures the extent to which a government can manage its financial affairs without having to rely on others.

Since 1991, revenue transfers from the Federal Government have decreased as a percentage of the revenues raised directly by the Saskatchewan Government from sources within the Province (see Graph 8). Graph 8 also shows the fluctuation in equalization and other transfers from the Federal Government. Other transfers include Canada Health and Social (CHST) transfers and transfers for education and agriculture.

Graph 8 Federal Government Transfers as a % of Saskatchewan Government Own Source Revenue



Since 1991, revenue transfers from the Federal Government have decreased from \$1.6 billion to \$1.0 billion. Also, revenue raised directly by the Saskatchewan Government from sources within the Province has increased significantly.

For example, since 1991:

- ◆ Taxation revenue has increased by 60% from \$2.0 billion to \$3.2 billion, while GDP has increased by 54%;

- ◆ Net income of the Government's enterprise Crown corporations² has increased from \$0.4 billion to \$0.7 billion; and
- ◆ Non-renewable resources revenue has increased from \$0.4 billion to \$1.3 billion in 2001.

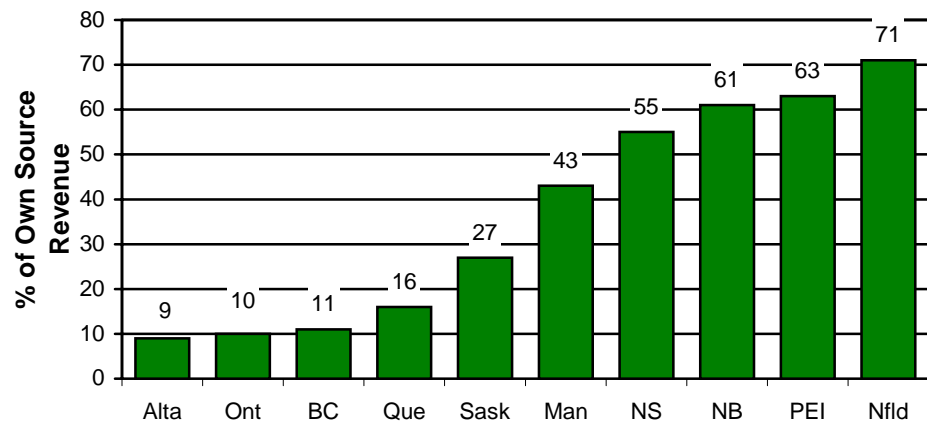
Since 1991, Federal Government transfers as a percentage of Saskatchewan Government own source revenue have declined from 43% to 17%. As a result, the Government is less dependent on, or less vulnerable to, sources of revenue outside its control.

More detailed information on trends in the Government's revenues and expenses is set out in Appendix 2A of this Report.

Interprovincial comparison

In graph 9, we show an interprovincial comparison of Federal Transfers as a percentage of own source revenue as at March 31, 2000. This graph shows that Saskatchewan's revenue transfers from the Federal Government as a percentage of own source revenue are fifth lowest of the ten provinces. In 2001, Saskatchewan's revenue transfers from the Federal Government were \$524 million less than in 2000.

Graph 9 Interprovincial Comparison of Federal Transfers as a % of Own Source Revenue as at March 31, 2000

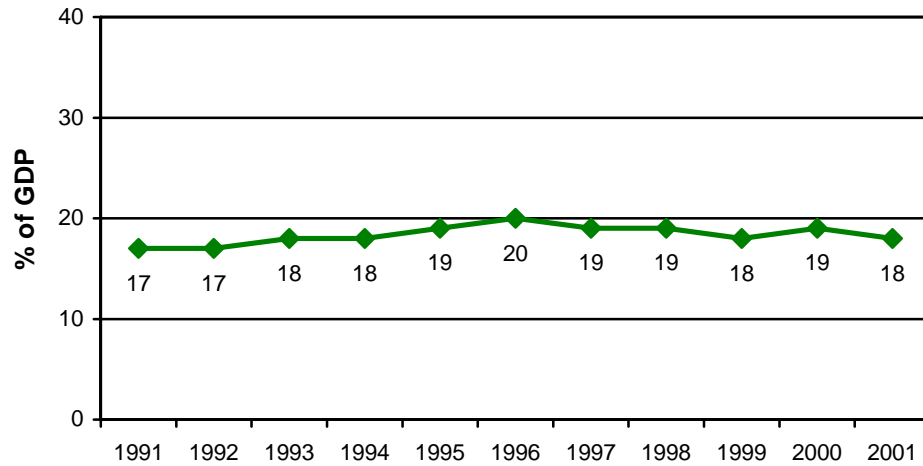


² The Government's enterprises include Crown corporations such as SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. They are included in Schedule 3 to the summary financial statements (see page 60). These enterprises raise revenue through direct charges for goods and services.

The Government's own source revenue

Another important indicator of the state of a government's finances is shown by comparing the change in a government's own source revenue to the size of the economy (see Graph 10).

Graph 10 **The Government's Own Source Revenue as a % of GDP**

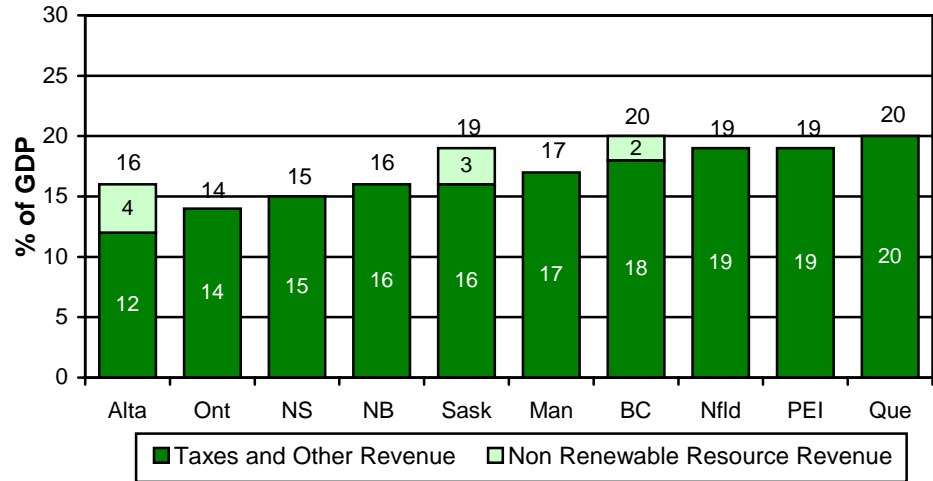


Since 1991, the revenue raised by the Saskatchewan Government, as a percentage of GDP from sources within the Province has remained fairly constant. Although the Government has improved its finances, the Government continues to place significant revenue demands on the Province's economy.

Interprovincial comparison

In graph 11, we show an interprovincial comparison of own source revenue as a percentage of GDP as at March 31, 2000. This shows the extent of a government's revenue demands on a provincial economy. This graph shows that Saskatchewan's own source revenue from taxes and other revenue are fifth lowest of the ten provinces. Also, the graph shows that Saskatchewan has higher revenue from non-renewable resources than most other provinces.

Graph 11 Interprovincial Comparison of Own Source Revenue as a % of GDP as at March 31, 2000



Overall financial planning information needed

In addition to questions about the state of the Government’s finances, we are often asked whether the Government is managing our resources in the best possible manner. This is a very difficult question because the answer involves important policy issues related to the role of government and whether individual programs are worthwhile. Such issues are best debated among legislators and the public.

The Government needs to publish better overall financial planning information to help legislators, government officials, and the public debate the best use of the public resources available to the Government.

Currently, the Government does not publish overall financial planning information. We think it should. The issues and decisions faced by Saskatchewan are far too important and complex to be considered in the context of incomplete planning information.

The financial planning information now published by the Government focuses on an incomplete picture of its finances as set out in one government fund called the General Revenue Fund. That picture is not complete because significant Government activity takes place outside of that Fund. This activity takes place in organizations such as SaskTel and SaskPower and also other organizations responsible to Treasury Board such as the Saskatchewan Crop Insurance Corporation and the Fiscal Stabilization Fund.

Understanding the Finances of the Government

Planning information focused only on the General Revenue Fund is not sufficient information to understand the overall financial picture of the Government and to have an informed debate on the affordability of new or existing government programs. For example, in 2001, the annual surplus reported for the General Revenue Fund is \$58 million, while the real surplus for the entire Government is \$506 million.

Also, the information that is presented in the General Revenue Fund can be changed by arbitrary Government decisions about which revenues or expenses to record in the Fund and in which year. For example, the Government can choose to transfer money from Crown corporations and other organizations and record the transfer as revenue in the General Revenue Fund. In 2001, the Government chose to transfer no revenue from Crown Investments Corporation of Saskatchewan (CIC) versus the \$125 million the Government chose to transfer in 2000. Also, the Government may choose to record transfers to or from the Fiscal Stabilization Fund and record the transfers as expenditures or revenues of the General Revenue Fund. In 2001, the Government chose to record a \$775 million transfer to the Fiscal Stabilization Fund as an expenditure of the General Revenue Fund.

It is time for Saskatchewan to change. The Government should focus its overall financial planning information on the entire Government. For several years, we have recommended that the Government base its overall financial plan on the entire Government.

Across Canada, seven provincial governments and the Federal Government have already changed the focus of their financial planning information to include their entire governments. These governments no longer focus on incomplete information in funds such as the General Revenue Fund. Also, many governments no longer produce audited financial statements for their equivalent of Saskatchewan's General Revenue Fund. The only provinces that do not focus their overall financial planning on the entire Government are Saskatchewan, Newfoundland, and Prince Edward Island.

In Appendix 3, we set out a model that could be used as a supplementary statement attached to the Budget to provide an overall picture of the Government's financial plan. This model provides the information necessary to have an informed debate on the affordability of new and

existing programs. This model brings together the three main areas of the Government's revenues and expenditures.

First, the model shows the revenues and expenditures as set out currently in the Budget for the General Revenue Fund. Legislators vote on expenditures as part of the Budget approval process. Second, the model shows the net income of the Government's enterprise Crown corporations in a similar way to that of the Government's summary financial statements. Finally, the model shows the remaining revenues available to the Government that are included in the various Government service organizations that do not form part of the General Revenue Fund, such as the Saskatchewan Crop Insurance Corporation and the Fiscal Stabilization Fund.

Some argue that providing the planned net income of Government enterprises as part of the overall financial plan might impair the competitive position of the Government enterprises. However, as part of their Balanced Scorecard reporting system the Government enterprises in the CIC sector already report or will report their long-term targets for net income (return on equity). Therefore, providing the planned net income of Government enterprises as part of the Government's overall financial plan will not impair the competitive position of these organizations. Also, seven provincial governments and the Federal Government now include the net income of their government enterprises as part of their overall financial plans.

Providing a financial plan for the entire Government will allow legislators and the public to have an informed debate on issues such as the affordability of new or existing Government programs.

Recommendation

- 1. We recommend that the Government should publish a financial plan for the entire Government.**

Appendix 1 – Other questions and answers

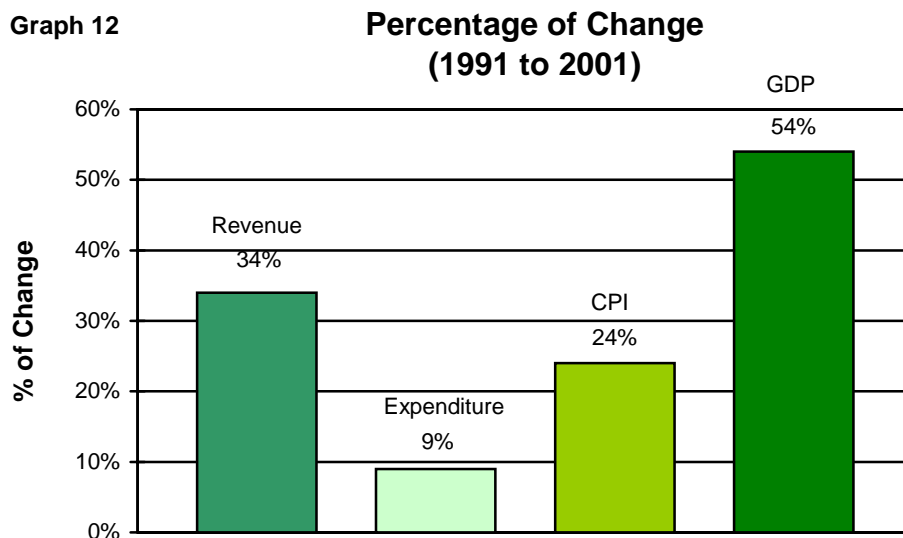
In this Appendix, we set out other financial information and analyses in the form of questions and answers. This information is included to assist legislators, government officials, and the public to understand the state of the Government's finances.

1. Is the Government making the best use of the public's resources?

This is a question that involves important policy issues best left to informed legislative and public debate. However, the Government should do more to foster that debate by publishing overall planning information for the entire Government, and by publishing a comparison of planned and actual results. For legislators to hold the Government fully accountable they need to know the Government's entire plan and its expected and actual performance.

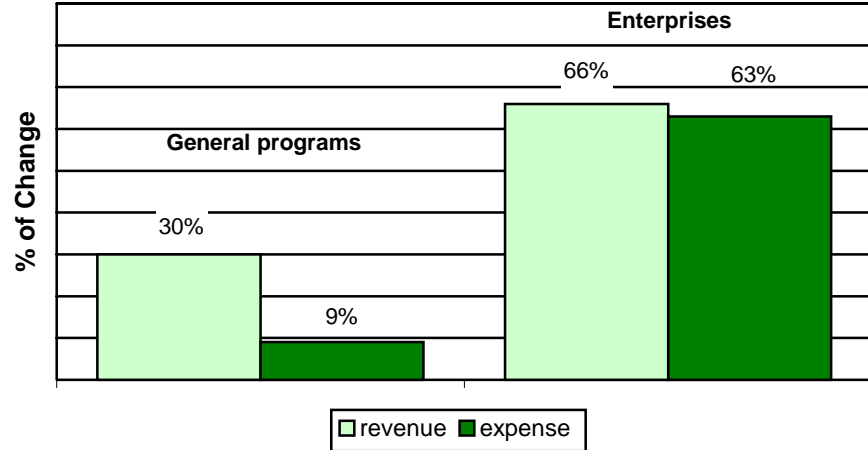
2. Is the Government's revenue raising and spending increasing at a rate less than or greater than inflation?

In the following graph, the percentage changes in revenues and in expenses are compared to the change in Saskatchewan's consumer price index (CPI) and its gross domestic product (GDP).



3. Is the Government carrying out more activity in its Crown corporation enterprises³?

Graph 13 Percentage of Change (1991 to 2001)



From 1991 to 2001, general program revenues increased 30% and general program expenses increased 9%. In the same period, enterprise revenues increased 66% and their expenses increased 63%. These amounts are not adjusted for inflation.

More detailed information on trends in the Government’s revenues and expenses is set out in Appendices 2A and 2B of this Report.

4. To what extent are the Government’s financial results affected by the sale of its investments?
- ◆ In 1992, the Government recorded a \$189 million loss from the sale of shares in Cameco.
 - ◆ In 1996, the Government recorded a \$615 million gain from the sale of shares of Cameco, LCL Cable, and ISM.
 - ◆ In 1998, the Government recorded a \$175 million gain from the sale of shares in Wascana Energy Inc. and the sale of the Bi-Provincial Upgrader.

³ The Government’s enterprises include Crown corporations such as SaskPower, SaskEnergy, SaskTel, and the Liquor and Gaming Authority. They are included in Schedule 3 to the summary financial statements (see page 60). These enterprises raise revenue through direct charges for goods and services.

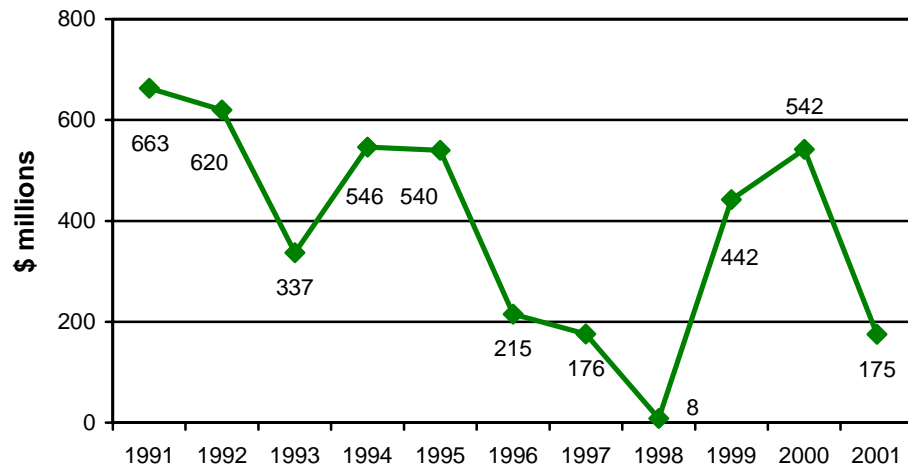
Understanding the Finances of the Government

- ◆ In 2000, the Government recorded a \$69 million gain from the sale of its interests in Saturn Communications Limited and the Saskfor MacMillan Limited Partnership.
5. How are the Government's finances affected by transfers from the Federal Government for equalization?

The Saskatchewan Government has received transfers for equalization from the Federal Government for many years. The Federal Government calculates the amount of the transfers by comparing the ability of a province to raise revenues with a standard set by the Federal Government. As a result of this calculation, the annual amount of equalization transfer due to Saskatchewan is significantly affected by the performance of provincial economies outside Saskatchewan.

The following graph shows the equalization transfer revenue recorded in the Government's summary financial statements from 1991 to 2001.

Graph 14 **Equalization Transfer Revenue
from 1991 to 2001**

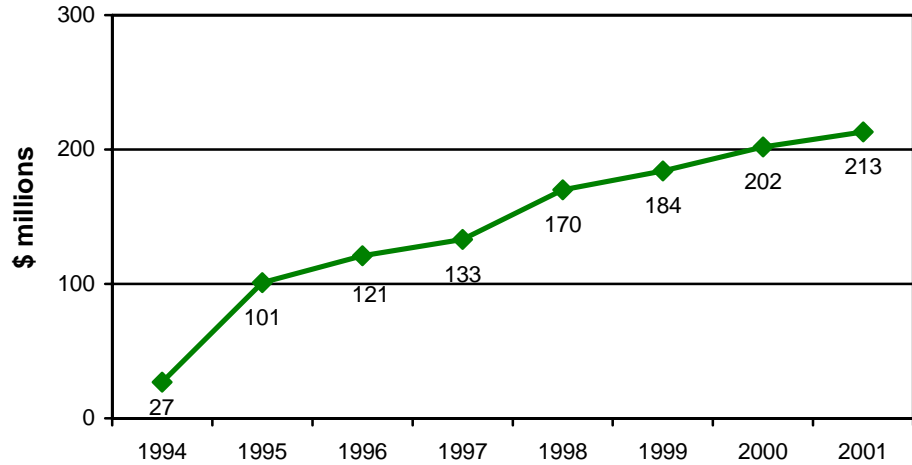


6. What impact have gaming operations had on the Government's finances?

The Government has earned net income from gaming since 1994. Net income is the amount of gaming revenues received by the Government after deducting expenses for gaming operations. In

1994, the net income from gaming was \$27 million. Since then, net income from gaming has increased steadily as shown below.

Graph 15 **Impact of gaming net income
on the Government's finances**



In Appendix 2B, gaming revenues and expenses are combined with liquor revenue and expenses. For example, for the year ended March 31, 2001, Appendix 2B shows total revenue and expenses from liquor and gaming of \$698 million and \$358 million respectively. Net income from liquor and gaming combined was \$340 million.

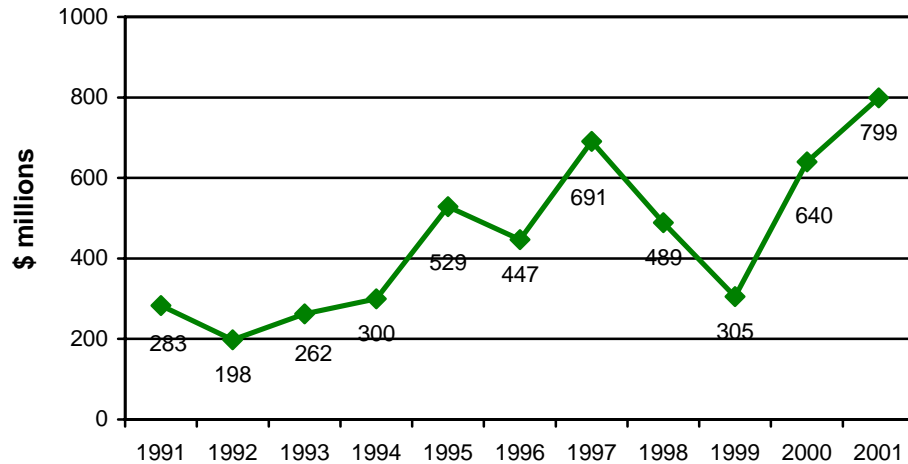
7. What impact have oil revenues had on the Government's finances?

Oil is traded on the world markets and the price fluctuates due to world supply and demand. In recent years, the price of oil has been subject to extreme price swings resulting in similar swings in the Government's oil revenues. For example, oil revenues reached \$691 million in 1997 before falling to \$305 million in 1999. Oil revenue then recovered to \$640 million in 2000 before reaching a new high of \$799 million in 2001. Such revenue swings are beyond the control of the Saskatchewan Government.

The impact of changes in oil and other natural resource royalties are significant to the Government's finances. However, the Federal Government deducts a substantial portion of oil and other natural resource royalties from amounts due to Saskatchewan for equalization.

Graph 16

**Oil Revenue from
1991 to 2001**



8. In which areas is the Government increasing or decreasing its revenue raising and spending?

Since 1991, there have been many changes to the revenue raising and spending practices of the Government. For example:

- ◆ Taxation revenue has increased by 60% from \$2.0 billion to \$3.2 billion, while GDP has increased by 54%;
- ◆ Revenue transfers from the Federal Government decreased from a high of \$1.7 billion to \$1.0 billion;
- ◆ Net income from Government enterprise Crown corporations increased from \$0.4 billion to \$0.7 billion;
- ◆ Agricultural expenses decreased from a high of \$1.2 billion to \$0.3 billion;
- ◆ Debt or interest costs decreased from a high of \$1.3 billion to \$0.9 billion;
- ◆ Educational expenses increased from \$0.8 billion to \$1 billion; and
- ◆ Health expenses increased from \$1.7 billion to \$2.2 billion.

More detailed information on trends in the Government's revenues and expenses is set out in Appendix 2A of this Report.

9. To what extent has the Government delayed spending on maintenance and replacement of Saskatchewan's infrastructures of roads, dams, buildings, and energy and telecommunication systems?

The Government does not provide an overall report on the state of the public infrastructure and currently we do not have sufficient information to fully answer this question. In particular, we have insufficient information on the Government's infrastructure of roads and dams.

However, the Government provides information on the tangible capital assets of Government enterprises in Schedule 3 to the summary financial statements. Also, since 1998 the Government has provided information on the tangible capital assets of its government service organizations in the notes to the summary financial statements.

Since March 1997, the net book value of the Governments tangible capital assets has increased by approximately 1.5% (excluding roads and dams) from \$6.7 billion to \$6.8 billion.

10. Which items significantly affected the summary financial statements results for 2001?

Federal Government transfer revenue decreased by \$524 million from last year. This was mainly due to a decrease in equalization revenue of \$367 million and decreased transfer revenue for agriculture.

Non-renewable resources revenue increased by \$350 million from last year mainly due to continued strength in oil and natural gas prices. In 2001, oil and gas revenue was \$799 million and \$239 million versus \$640 million and \$92 million in 2000 (see page 74 of Appendix 4 to this Report).

Understanding the Finances of the Government

Agricultural expenses decreased by \$371 million from last year. This was mainly due to the ending of programs to help farmers adjust to the impact of the elimination of the Crow Benefit on grain transportation rates and to provide agricultural income disaster assistance.

Interest costs decreased by \$79 million from last year. This was mainly due to decreases in the Government's total outstanding debt and lower interest rates on the debt.

Education expenses increased by \$118 million from last year due to increased funding for school boards and universities.

Finally, net income earned by Government enterprises increased by \$90 million from last year (see page 60 of Appendix 4 to this Report).

11. How much debt and interest per capita do we have?

The debt per person has decreased from a high of \$15,433 at March 31, 1995 to \$13,125 at March 31, 2001. As the debt has declined, the annual interest cost per person has declined from a high of \$1,321 to \$929 at March 31, 2001. As noted earlier, a government's debt equals its total liabilities.

12. How much of the Government's debt of bonds and debentures owed to external markets is owed by Crown corporation enterprises?

At March 31, 2001, \$3.0 billion (net of sinking funds) was owed by Crown corporation enterprises. For further information, please see page 70 of Appendix 4 to this Report.

13. How much of the Government's debt in bonds and debentures is payable in foreign currencies?

At March 31, 2001, the Government's debt in bonds and debentures was \$8.8 billion (excluding sinking funds). Of this amount, \$1.3 billion (excluding sinking funds) or 15% was payable in U.S. dollars.

14. Why do agriculture expenditures fluctuate so much?

Agriculture spending fluctuates depending on the state of the agriculture economy. The agriculture economy is dependent on prices for commodities that are traded in world markets and that are subject to world supply and demand. The agriculture economy is also affected by trading subsidies paid by foreign governments. Further, the state of the agriculture economy is also dependent on the weather.

In addition, large agriculture programs are often cost-shared with the Federal Government. These cost-share programs can be administered by the Federal Government or the Saskatchewan Government. The accounting for cost-share programs can have a significant impact on the amount recorded as agricultural expenses.

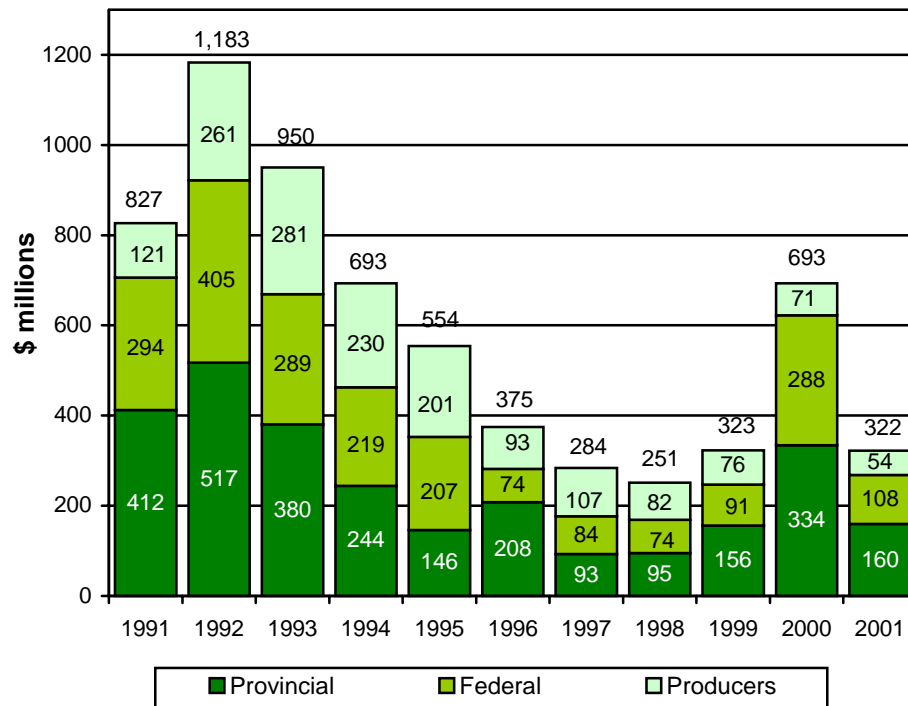
For example, if Saskatchewan administers the program, as is done with crop insurance, the Saskatchewan Government shows the total expenses for the program, even though some of the money to pay for the program came from the Federal Government and farmers. The money from the Federal Government and farmers shows up separately in the financial statements as revenue.

If on the other hand, as with the Agricultural Income Disaster Program (AIDA), Saskatchewan does not administer the program, but instead pays its share of the cost to the Federal Government (administrator), then the Saskatchewan Government shows only its share of the cost of the program as an expense.

The following graph shows how the Saskatchewan Government financed agricultural expenses for the past 11 years. However, the graph does not include significant Government support provided to the agriculture sector through tax concessions and rebates. For example, for the year ended March 31, 2001, the Government provided farm fuel tax rebates of \$44 million to Saskatchewan farmers. These rebates are accounted for as a reduction in revenue.

Agricultural expenses decreased by \$371 million from last year. This was mainly due to the ending of programs to help farmers adjust to the impact of the elimination of the Crow Benefit on grain transportation rates and to provide agricultural income disaster assistance.

Graph 17 Financing Sources for Agriculture Expenses



15. How much debt is guaranteed by the Government?

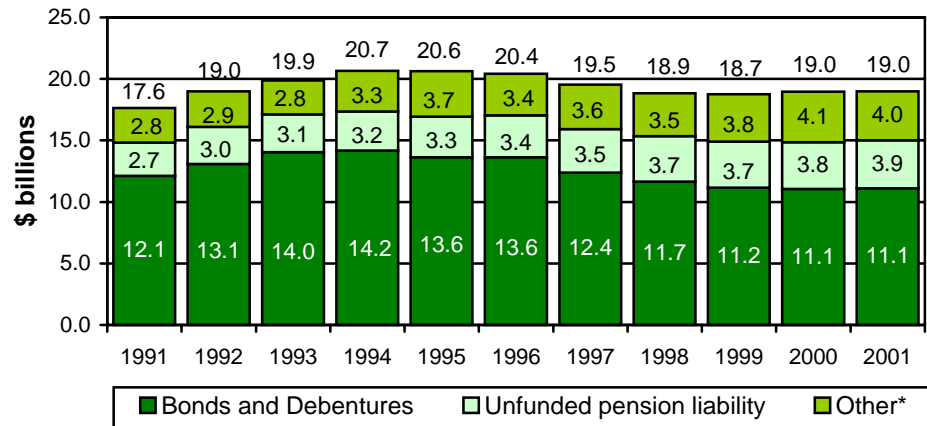
At March 31, 2001, the Government had guaranteed debt of \$387 million. These guarantees relate to the debt of non-government organizations. For further information, see page 72 of Appendix 4 to this Report.

16. How much are the Government's total liabilities including Government enterprise Crown corporations?

Graph 18 shows the Government's total liabilities including Government enterprise Crown corporations from 1991 to 2001. The graph also shows a breakdown of these liabilities between bonds and debentures and other liabilities. Other liabilities include trade accounts payable, accrued interest, and unpaid claims for government insurance and workers' compensation programs.

Although the Government's total liabilities provides important information to understand the Government's financial condition, this report focuses on the Government's accumulated deficit which is a better indicator of a government's financial condition.

Graph 18
The Government's Liabilities including Government Enterprises as at March 31



* Excludes amounts owed by the GRF to the Liquor and Gaming Authority since they are not owed to non-government agencies (in millions: 2001 - \$13, 2000 - \$674, 1999 - \$364, 1998 - \$386, 1997 - \$451, 1996 - \$197, 1995 - \$241, 1994 - \$140, 1993 - \$116, 1992 - \$118, and 1991 - \$70).

17. What are the total revenues and expenses of the Government's general programs and its Government enterprise Crown corporations?

This information is included in Appendix 2B. This information is important because it shows the total revenues and expenses of the entire government.

Appendix 2A – Other more detailed information

(Derived from the Government's summary financial statements)

	(in \$ millions)			
	1991	1992	1993	1994
	(unaudited)			
Revenue				
General Programs				
Taxes	1,988	2,163	2,276	2,536
Federal government transfers	1,603	1,706	1,447	1,488
Non-renewable resources	423	323	393	453
Income from government enterprises	374	272	303	338
Other	932	952	948	775
Total Revenue	<u>5,320</u>	<u>5,416</u>	<u>5,367</u>	<u>5,590</u>
Expense				
General Programs				
Agriculture ¹	827	1,183	950	693
Community development	143	107	104	145
Debt charges (interest costs)	1,053	1,147	1,299	1,285
Economic development	86	125	81	79
Education	847	871	883	849
Environment and natural resources	184	20	87	151
Health	1,659	1,641	1,614	1,553
Protection of persons and property	262	274	248	178
Social services and assistance	446	507	547	550
Transportation	283	242	201	212
Other	270	969	199	148
Total Expense	<u>6,060</u>	<u>7,086</u>	<u>6,213</u>	<u>5,843</u>
Annual surplus (deficit)	(740)	(1,670)	(846)	(253)
Accumulated (deficit), beginning of year	(7,145)	(7,885)	(9,555)	(10,401)
Accumulated (deficit), end of year	<u>(7,885)</u>	<u>(9,555)</u>	<u>(10,401)</u>	<u>(10,654)</u>

¹ The Agriculture expense does not include significant Government support provided to the agriculture sector through tax concessions and rebates. Also, certain agriculture programs, such as Crop insurance, are cost-shared by the Saskatchewan Government. The above table represents Saskatchewan Government expenses for agricultural programs, plus the total expenses of the cost-shared programs administered by the Saskatchewan Government. The contributions by the Federal Government and producers, towards these cost-shared programs, are recorded as revenue by the Saskatchewan Government. Funding provided by the Federal Government in millions amounted to \$108 for 2001, \$288 for 2000, \$91 for 1999, \$74 for 1998, \$84 for 1997, \$74 for 1996, \$207 for 1995, \$219 for 1994, \$289 for 1993, \$405 for 1992, and \$294 for 1991. Funding provided by producers in millions amounted to \$54 for 2001, \$71 for 2000, \$76 for 1999, \$82 for 1998, \$107 for 1997, \$93 for 1996, \$201 for 1995, \$230 for 1994, \$281 for 1993, \$261 for 1992, and \$121 for 1991.

1995	1996	1997	1998	1999	2000	2001
2,643	2,854	3,125	3,116	3,155	3,224	3,203
1,512	1,046	853	675	1,088	1,553	1,029
718	673	907	781	622	943	1,293
356	561	547	591	698	574	664
899	1,260	791	983	784	909	924
<u>6,128</u>	<u>6,394</u>	<u>6,223</u>	<u>6,146</u>	<u>6,347</u>	<u>7,203</u>	<u>7,113</u>
554	375	284	251	323	693	322
160	158	148	152	160	158	176
1,338	1,305	1,224	1,175	1,111	1,026	947
79	108	118	77	97	89	127
874	828	853	855	886	901	1,019
116	192	142	119	202	168	149
1,622	1,623	1,682	1,761	1,931	2,174	2,223
187	195	190	203	230	262	266
584	588	586	700	747	785	783
228	236	248	273	272	273	303
202	212	191	212	260	256	292
<u>5,944</u>	<u>5,820</u>	<u>5,666</u>	<u>5,778</u>	<u>6,219</u>	<u>6,785</u>	<u>6,607</u>
184	574	557	368	128	418	506
(10,654)	(10,470)	(9,896)	(9,339)	(8,971)	(8,843)	(8,425)
<u>(10,470)</u>	<u>(9,896)</u>	<u>(9,339)</u>	<u>(8,971)</u>	<u>(8,843)</u>	<u>(8,425)</u>	<u>(7,919)</u>

Appendix 2B – Other more detailed information

(Derived from the Government's summary financial statements, this table presents information based on the model used in previous years' reports.)

	(in \$ millions)			
	1991	1992	1993	1994
	(unaudited)			
Revenue				
General Programs				
Taxes	1,988	2,163	2,276	2,536
Federal government transfers	1,603	1,706	1,447	1,488
Non-renewable resources	423	323	393	453
Other	932	952	948	775
	<u>4,946</u>	<u>5,144</u>	<u>5,064</u>	<u>5,252</u>
Enterprises				
Energy (SaskPower & SaskEnergy)	1,010	1,016	1,066	1,164
Insurance ²	536	556	574	625
Liquor and Gaming	297	293	291	327
Telecommunications (SaskTel)	574	569	629	630
Other	48	89	88	88
	<u>2,465</u>	<u>2,523</u>	<u>2,648</u>	<u>2,834</u>
Total Revenue	<u><u>7,411</u></u>	<u><u>7,667</u></u>	<u><u>7,712</u></u>	<u><u>8,086</u></u>
Expense				
General Programs				
Agriculture ³	827	1,183	950	693
Community development	143	107	104	145
Debt charges (interest costs)	1,053	1,147	1,299	1,285
Economic development	86	125	81	79
Education	847	871	883	849
Environment and natural resources	184	20	87	151
Health	1,659	1,641	1,614	1,553
Protection of persons and property	262	274	248	178
Social services and assistance	446	507	547	550
Transportation	283	242	201	212
Other	270	969	199	148
	<u>6,060</u>	<u>7,086</u>	<u>6,213</u>	<u>5,843</u>
Enterprises¹				
Energy (SaskPower & SaskEnergy)	866	871	908	1,015
Insurance ²	480	545	586	618
Liquor and Gaming	189	183	178	186
Telecommunications (SaskTel)	527	518	549	544
Other	29	134	124	133
	<u>2,091</u>	<u>2,251</u>	<u>2,345</u>	<u>2,496</u>
Total Expense	<u><u>8,151</u></u>	<u><u>9,337</u></u>	<u><u>8,558</u></u>	<u><u>8,339</u></u>
Annual surplus (deficit)	(740)	(1,670)	(846)	(253)
Accumulated (deficit), beginning of year	<u>(7,145)</u>	<u>(7,885)</u>	<u>(9,555)</u>	<u>(10,401)</u>
Accumulated (deficit), end of year	<u><u>(7,885)</u></u>	<u><u>(9,555)</u></u>	<u><u>(10,401)</u></u>	<u><u>(10,654)</u></u>

¹ Total enterprises' expenses include interest costs in millions of \$262 for 2001, \$274 for 2000, \$293 for 1999, \$299 for 1998, \$319 for 1997, \$345 for 1996, \$338 for 1995, \$363 for 1994, \$344 for 1993, \$326 for 1992 and \$344 for 1991.

² Enterprises carrying out insurance programs include Saskatchewan Government Insurance, Saskatchewan Auto Fund and the Workers' Compensation Board.

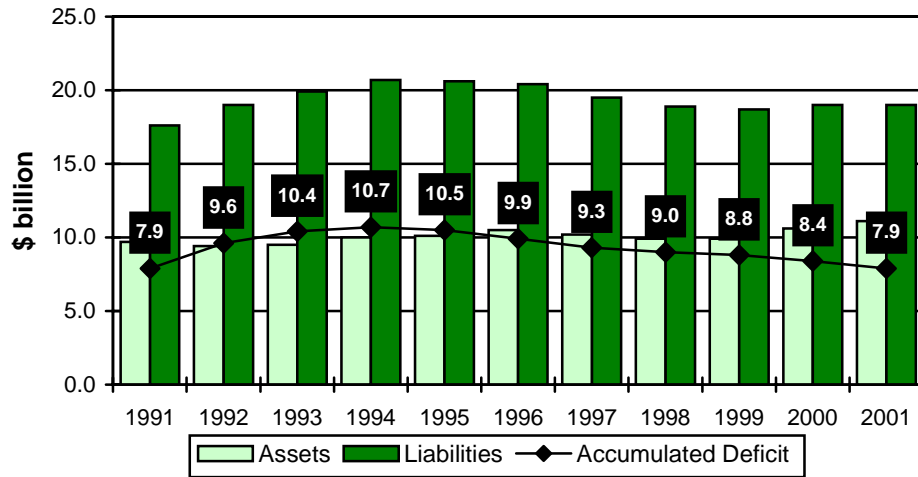
1995	1996	1997	1998	1999	2000	2001
2,643	2,854	3,125	3,116	3,155	3,224	3,203
1,512	1,046	853	675	1,088	1,553	1,029
718	673	907	781	622	943	1,293
899	1,260	791	983	784	909	924
<u>5,772</u>	<u>5,833</u>	<u>5,676</u>	<u>5,555</u>	<u>5,649</u>	<u>6,629</u>	<u>6,449</u>
1,225	1,240	1,365	1,276	1,333	1,382	1,626
657	713	785	835	868	892	947
431	473	511	569	639	677	698
629	775	700	727	755	776	802
95	33	13	10	27	10	9
<u>3,037</u>	<u>3,234</u>	<u>3,374</u>	<u>3,417</u>	<u>3,622</u>	<u>3,737</u>	<u>4,082</u>
<u>8,809</u>	<u>9,067</u>	<u>9,050</u>	<u>8,972</u>	<u>9,271</u>	<u>10,366</u>	<u>10,531</u>
554	375	284	251	323	693	322
160	158	148	152	160	158	176
1,338	1,305	1,224	1,175	1,111	1,026	947
79	108	118	77	97	89	127
874	828	853	855	886	901	1,019
116	192	142	119	202	168	149
1,622	1,623	1,682	1,761	1,931	2,174	2,223
187	195	190	203	230	262	266
584	588	586	700	747	785	783
228	236	248	273	272	273	303
202	212	191	212	260	256	292
<u>5,944</u>	<u>5,820</u>	<u>5,666</u>	<u>5,778</u>	<u>6,219</u>	<u>6,785</u>	<u>6,607</u>
1,075	1,102	1,152	1,104	1,156	1,232	1,456
744	708	782	750	771	864	875
207	230	256	273	325	345	358
531	583	616	687	662	708	705
124	50	21	12	10	14	24
<u>2,681</u>	<u>2,673</u>	<u>2,827</u>	<u>2,826</u>	<u>2,924</u>	<u>3,163</u>	<u>3,418</u>
<u>8,625</u>	<u>8,493</u>	<u>8,493</u>	<u>8,604</u>	<u>9,143</u>	<u>9,948</u>	<u>10,025</u>
184	574	557	368	128	418	506
<u>(10,654)</u>	<u>(10,470)</u>	<u>(9,896)</u>	<u>(9,339)</u>	<u>(8,971)</u>	<u>(8,843)</u>	<u>(8,425)</u>
<u>(10,470)</u>	<u>(9,896)</u>	<u>(9,339)</u>	<u>(8,971)</u>	<u>(8,843)</u>	<u>(8,425)</u>	<u>(7,919)</u>

³ The Agriculture expense does not include significant Government support provided to the agriculture sector through tax concessions and rebates. Also, certain agriculture programs, such as Crop insurance, are cost-shared by the Saskatchewan Government. The above table represents Saskatchewan Government expenses for agricultural programs, plus the total expenses of the cost-shared programs administered by the Saskatchewan Government. The contributions by the Federal Government and producers, towards these cost-shared programs, are recorded as revenue by the Saskatchewan Government. Funding provided by the Federal Government in millions amounted to \$108 for 2001, \$288 for 2000, \$91 for 1999, \$74 for 1998, \$84 for 1997, \$74 for 1996, \$207 for 1995, \$219 for 1994, \$289 for 1993, \$405 for 1992, and \$294 for 1991. Funding provided by producers in millions amounted to \$54 for 2001, \$71 for 2000, \$76 for 1999, \$82 for 1998, \$107 for 1997, \$93 for 1996, \$201 for 1995, \$230 for 1994, \$281 for 1993, \$261 for 1992, and \$121 for 1991.

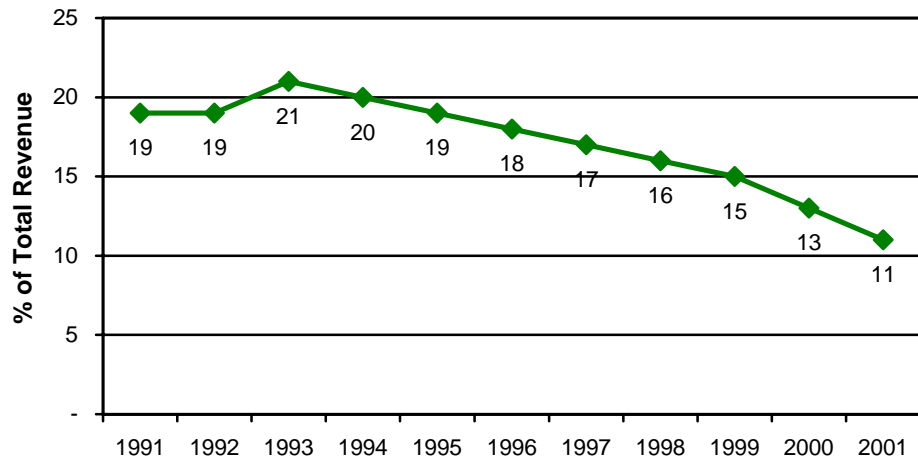
Appendix 2C – Graphs Based on the Previous Years’ Model

This appendix provides the graphs included in this report on the same basis as the model used in previous reports. Where possible, the interprovincial comparisons are also included using this model.

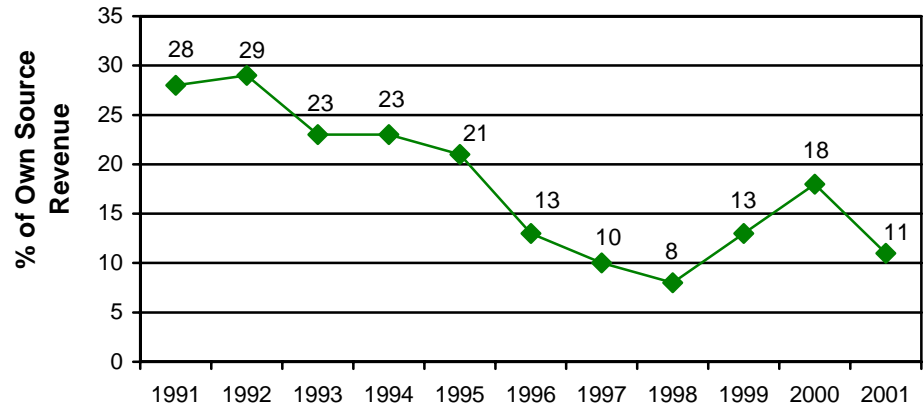
Graph 19 The Government's Accumulated Deficit as at March 31



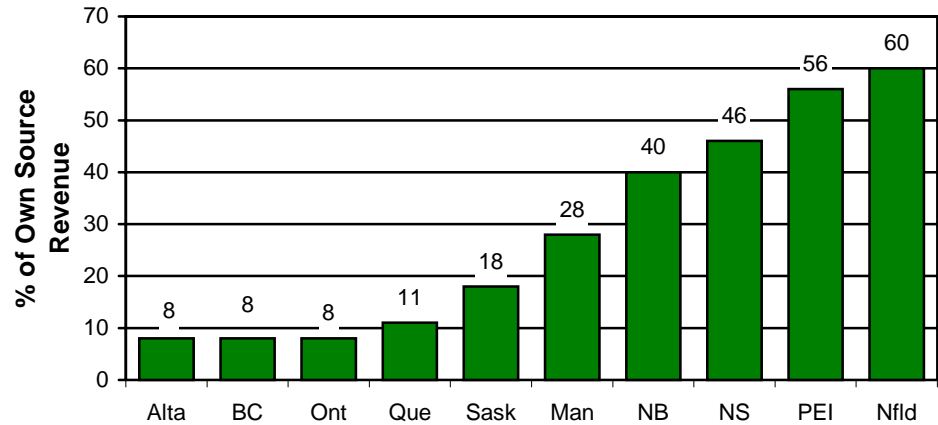
Graph 20 The Government's Interest Costs as a % of Total Revenue



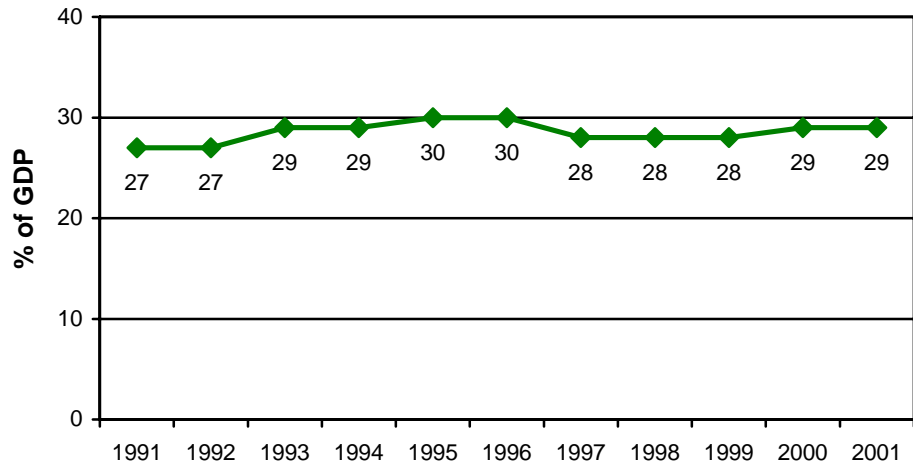
Graph 21 Federal Government Transfers as a % of Saskatchewan Government Own Source Revenue



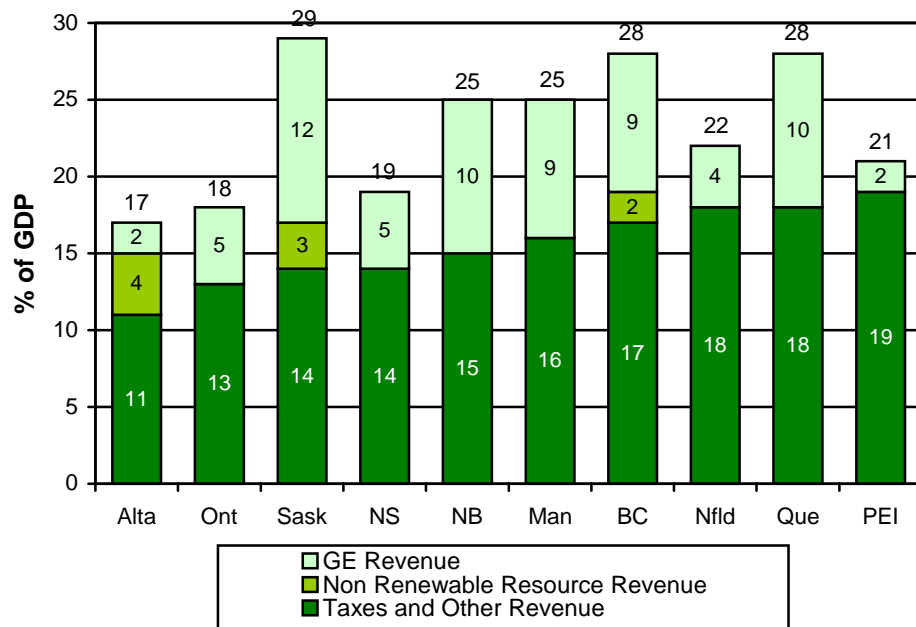
Graph 22 Interprovincial Comparison of Federal Transfers as a % of Own Source Revenue as at March 31, 2000



Graph 23 The Government's Own Source Revenue as a % of GDP



Graph 24 Interprovincial Comparison of Own Source Revenue as a % of GDP as at March 31, 2000



Appendix 3 – Proposed model for an overall Government financial plan

Note: This model does not include a Statement of Financial Assets, Liabilities, and Accumulated Deficit or a Statement of Cash Flow. The model should include these statements in a similar format to those currently presented by the Government in its summary financial statements. Also, the model should include key financial and economic indicators such as those included in this Report.

Estimated Government Surplus Overview

	<u>(\$000's)</u>
General Revenue Fund ⁴	
Revenue	6,041,700
Expenditure	<u>6,038,924</u>
Surplus for the year	<u>2,776</u>
Net revenue/(expense) from Treasury Board Crown Corporations and Agencies ⁵	XXX
Income from Government Enterprise Crown Corporations ⁵	<u>XXX</u>
Government Surplus for the year	<u><u>XXX</u></u>

Estimated Government Accumulated Deficit

Accumulated Deficit, beginning of year	XXX
Government Surplus for the year	<u>XXX</u>
Accumulated Deficit, end of year	<u><u>XXX</u></u>

⁴ See Saskatchewan Estimates - 2001-02, p.10

⁵ Net of dividends paid and transfers from the General Revenue Fund

Understanding the Finances of the Government

Estimated Government Surplus

	<u>(\$000's)</u>
General Revenue Fund surplus for the year	<u>XXX</u>
Net revenue/(expense) from Treasury Board Crown Corporations and Agencies⁶	
Agricultural Credit Corporation of Saskatchewan	XXX
Agri-Food Innovation Fund	XXX
CIC Industrial Interests Inc.	XXX
Crop Reinsurance Fund	XXX
Crown Investments Corporation of Saskatchewan (non-consolidated)	XXX
District Health Boards	XXX
Fiscal Stabilization Fund	XXX
Information Services Corporation of Saskatchewan	XXX
Milk Control Board	XXX
Northern Revenue Sharing Trust Account	XXX
Public Employees Disability Income Fund	XXX
Public Employees Group Life Insurance Fund	XXX
Saskatchewan Agricultural Stabilization Fund	XXX
Saskatchewan Cancer Foundation	XXX
Saskatchewan Crop Insurance Corporation	XXX
Saskatchewan Housing Corporation	XXX
Saskatchewan Institute of Applied Science and Technology	XXX
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation	XXX
Saskatchewan Opportunities Corporation	XXX
Saskatchewan Property Management Corporation	XXX
Saskatchewan Student Aid Fund	XXX
Saskatchewan Water Corporation	XXX
Other	<u>XXX</u>
Net revenue/(expense)	<u>XXX</u>
Income from Government Enterprise Crown Corporations	
Municipal Financing Corporation of Saskatchewan	XXX
Saskatchewan Auto Fund	XXX
Saskatchewan Gaming Corporation	XXX
Saskatchewan Government Growth Fund Management Corporation	XXX
Saskatchewan Government Insurance	XXX
Saskatchewan Liquor and Gaming Authority	XXX
Saskatchewan Power Corporation	XXX
Saskatchewan Telecommunications Holding Corporation	XXX
SaskEnergy Incorporated	XXX
Worker's Compensation Board (Saskatchewan)	<u>XXX</u>
Income	<u>XXX</u>
Government Surplus for the year	<u>XXX</u>

⁶ Net of dividends paid and transfers from the General Revenue Fund

**Appendix 4 – The Government’s 2000-01 summary
financial statements**