



BACKGROUNDER – KEY FACTS & FIGURES

2011-12 Third Quarter Report

February 10, 2012

REVENUE

- **\$11.07 billion** revenue forecast for General Revenue Fund (GRF) — an increase of \$115.1 million since mid-year (\$271.9 million increase since budget).
- **Oil** revenue is up \$88.3 million since mid-year (\$61.8 million increase since Budget).
- **Potash** is down \$137.2 million since mid-year (\$69.8 million increase since Budget).
- **Corporation Income Tax** is down \$178.6 million (\$288.3 million decrease since Budget).
- **Provincial Sales Tax** is up \$64.3 million since Mid-Year (\$94.3 million increase since Budget).
- **Crown land sales** are \$50.9 million lower since Mid-Year.

EXPENSE

- **\$11.01 billion** expense forecast for the GRF, an increase of \$84.3 million from mid-year (\$331.1 million increase Budget).
- The expense changes of \$84.3 million from mid-year are as follows:
 - **Corrections, Public Safety and Policing** is up \$94.3 million primarily due to further claims under the Provincial Disaster Assistance Program (PDAP) and spring flooding preparation.
 - **Education – Teachers’ Pensions and Benefits** increased \$35.3 million, due to higher requirements for the Teachers’ Superannuation Plan and the Teachers’ Retirement Plan.
 - **Finance** is up \$17.9 million due to greater than expected Research and Development tax credit costs for the 2010 and 2011 tax years.
 - **Highways and Infrastructure** increased \$10.0 million for an increase to the Strategic Partnership Program, primarily for additional infrastructure at the Global Transportation Hub.
 - **Information Technology Office** is up \$5.1 million as the result of higher software licensing costs.
 - **Health** decreased \$39.0 million mainly due to reduced costs in the prescription drug plan and Canadian Blood Services, lower than anticipated physician services utilization, and lower accommodations expense.
 - **Education** is down \$14.1 million primarily due to higher than expected Education Property Tax revenue and lower block capital funding due to delays in smaller projects.
 - **Environment** is down \$7.0 million due to lower wildfire management costs.
 - **Social Services** decreased \$5.5 million mainly due to lower than anticipated costs in Child and Family Services.

SURPLUS AND GROWTH AND FINANCIAL SECURITY FUND BALANCE

- There will be a \$55.8 million pre-transfer surplus, a decrease of \$59.2 million from budget.

- Government will draw a \$120 million dividend from Crown Investments Corporation (CIC) to help defray the net cost of flooding to the General Revenue Fund (GRF) in 2011-12. This special dividend will come from the portion of CIC's retained earnings attributable to higher-than-expected hydroelectric generation by SaskPower in 2011.
- The GFSF balance is forecast to be \$708.9 million at the end of 2011-12.

DEBT

- Government debt reduction will proceed as budgeted. Government general public debt will be reduced by \$325.0 million, with a transfer from the Growth and Financial Security Fund (GFSF).
- This will leave government general public debt at a level of \$3.8 billion at March 31, 2012.

<u>2011-12 GRF Financial Overview</u>					
\$	Budget Estimate	Mid-Year Projection	3rd Quarter Forecast	Change from Budget Mid Year	
<i>(millions of dollars)</i>					
Revenue	10,794.3	10,951.1	11,066.2	271.9	115.1
Expense	10,679.3	10,926.1	11,010.4	331.1	84.3
Pre-Transfer Balance	115.0	25.0	55.8	(59.2)	30.8
Transfer to GFSF	(57.5)	(12.5)	(27.9)	29.6	(15.4)
Transfer from GFSF	325.0	325.0	325.0	-	-
Net Transfer from/(to) GFSF	267.5	312.5	297.1	29.6	(15.4)
GRF Surplus	382.5	337.5	352.9	(29.6)	15.4
GFSF Balance*	710.8	693.5	708.9	(1.9)	15.4
Government Debt**	4,135.2	3,810.2	3,810.2	(325.0)	-

* Mid-Year Projection and 3rd Quarter Forecast of 2011-12 opening balance incorporate 2010-11 actual transfers to the GFSF and reflect actual 2011-12 opening balance of \$1,006.0M.

** Budget Estimate figure has been adjusted to the 2010-11 year-end actual level.