Public Accounts
2019-20

Volume 1

Summary Financial Statements

Government
of
Saskatchewan

2019-20 Public Accounts
Volume 1 - Summary Financial Statements

Contents

Regina, Saskatchewan
June 2020

To His Honour
The Honourable Russell B. Mirasty
Lieutenant Governor of Saskatchewan

Your Honour:

I have the honour to submit Volume 1 of the Public Accounts of the Government of Saskatchewan for the fiscal year ended March 31, 2020.

Respectfully submitted,

DONNA HARPAUER
Minister of Finance

Regina, Saskatchewan
June 2020

The Honourable Donna Harpauer
Minister of Finance

We have the honour to present Volume 1 of the Public Accounts of the Government of Saskatchewan for the fiscal year ended March 31, 2020.

Respectfully submitted,

RUPEN PANDYA
Deputy Minister of Finance

TERRY PATON
Provincial Comptroller

Introduction to the Public Accounts

The 2019-20 Public Accounts of the Government of Saskatchewan (the Government) are prepared in accordance with the *Financial Administration Act, 1993* and consist of two volumes. The Government is responsible for the integrity and objectivity of the information presented in these two volumes.

Volume 1

Financial Statement Discussion and Analysis provides users of the Government's Summary Financial Statements with an overview of the Government's performance by presenting comparative financial highlights and variance analysis. The information in the financial statement discussion and analysis should be read in conjunction with the Summary Financial Statements.

Summary Financial Statements provide an accounting of the full nature and extent of the financial affairs and resources of the Government. This includes the financial results of the General Revenue Fund, Crown corporations, boards and other entities controlled by the Government. A listing of all entities controlled by the Government, collectively referred to as the government reporting entity, is provided in schedule 18 of the Summary Financial Statements.

Volume 2

Volume 2 contains the following unaudited financial information:

- General Revenue Fund schedules and details;
- General Revenue Fund capital asset acquisitions schedule and details;
- revolving fund expenditure details;
- summary listing of payees who provided goods and services and capital assets of $50,000 or more to the General Revenue Fund and revolving funds during the fiscal year;
- assets, liabilities and residual balances of pension plans and trust funds administered by the Government;
- remissions of taxes and fees; and
- road-use fuel tax accountability revenues and expenditures.

The Public Accounts, including a Compendium, are available on the Government of Saskatchewan's website.

The Compendium contains the financial statements of various government agencies, boards, commissions, pension plans, special purpose funds and institutions, as well as Crown corporations which are accountable to Treasury Board. In addition, the financial statements of Crown corporations and wholly-owned subsidiaries that are accountable to the Crown Investments Corporation of Saskatchewan (CIC) Board can be found on CIC's website.

Financial Statement Discussion and Analysis

Financial Statement Discussion and Analysis

Highlights

Introduction

The Financial Statement Discussion and Analysis (FSD&A) provides an overview of the Government's financial performance and information to report on the Government's accountability for the resources entrusted to it. The FSD&A is intended to assist users of the Summary Financial Statements (SFS) in their assessment of the Government's fiscal health. The Government is responsible for the integrity and objectivity of this discussion and analysis.

This information should be read in conjunction with the SFS which include the financial activities of all government-controlled entities, collectively referred to as the government reporting entity. A complete listing of the public sector entities included in the government reporting entity is provided in schedule 18 of the SFS.

Financial Results

The COVID-19 pandemic and an economic downturn impacted the Government's progress to return to a balanced budget. The reported deficit of $319 million was $51 million greater than the prior year deficit and a $354 million shortfall from the budgeted surplus of $34 million.

Overall revenue was greater than the prior year with significant improvements reported in individual and corporate income taxation from a continued strong tax base. There were also significant increases in transfers from the federal government mainly for legislated increases for the Canada Health and Canada Social transfers. These increases were partially offset by weaker investment results reported by Government Business Enterprises (GBEs), largely due to the impact that COVID-19 had on global markets in the first quarter of 2020. Compared to budget, overall revenue was lower-than-expected with the largest unfavorable variance in net income from GBEs, where COVID-19 had a significant impact on the value of insurance sector investment portfolios. There was also lower-than-budgeted revenue from provincial sales tax, fuel and tobacco tax and non-renewable resources revenue due to weaker-than-expected retail sales, fuel and tobacco consumption and sales of potash respectively. These unfavorable variances were partially offset by greater-than-expected transfers from the federal government due to additional infrastructure funding provided.

Expenses for the year were greater than both the prior year and budget primarily due to an increase in pension related costs. Losses arising from changes in actuarial assumptions, mainly lower interest rates, contributed to the elevated pension costs. Utilization pressures in health care also contributed to the unfavorable year-over-year and actual-to-budget changes. Lower-than-expected crop insurance claims resulting from crop conditions exceeding the 10-year budgeted average partially offset other budgetary pressures.

The Government continued to invest in the Province's infrastructure, with significant investment in electricity and gas transmission, distribution and generation assets, in communication networks as well as in investments through the Saskatchewan Capital Plan. The $2.52 billion capital investment during 2019-20 will help the Government meet the challenges of a growing province, improve safety and strengthen the economy now and moving forward. This investment contributed to the $460 million increase in net debt during the year.

The Government's overall financial position as at March 31, 2020 is an accumulated deficit of $191 million.

Highlights

At a Glance

Financial Results

(millions of dollars)

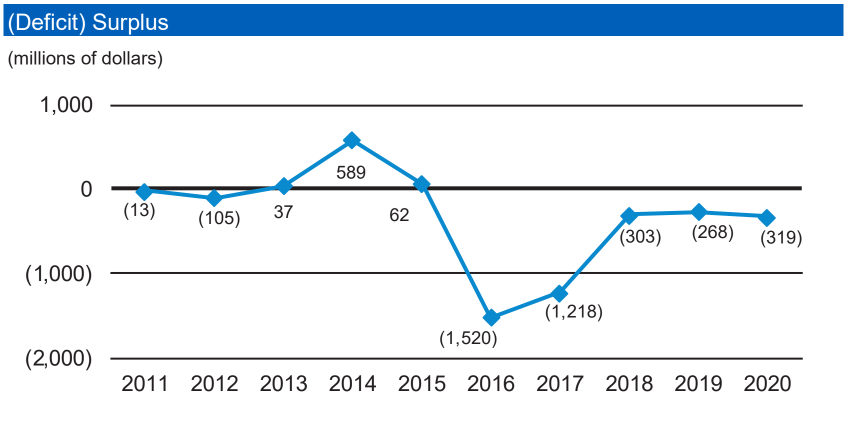
	2020		2019*	Change from	
					2019
	Budget	Actual	Actual	Budget	Actual
Revenue	15,025	14,887	14,502	(138)	386
Expense	14,991	15,206	14,769	216	437
(Deficit) Surplus	34	(319)	(268)	(354)	(51)
Net Debt	12,059	12,289	11,829	229	460
Accumulated (Deficit) Surplus	189	(191)	155	(380)	(346)

**Restated – see page 11*
Totals may not add due to rounding.

Highlights

(Deficit) Surplus

The (deficit) surplus represents the amount by which (expense exceeds revenue) revenue exceeds expense for the fiscal period.

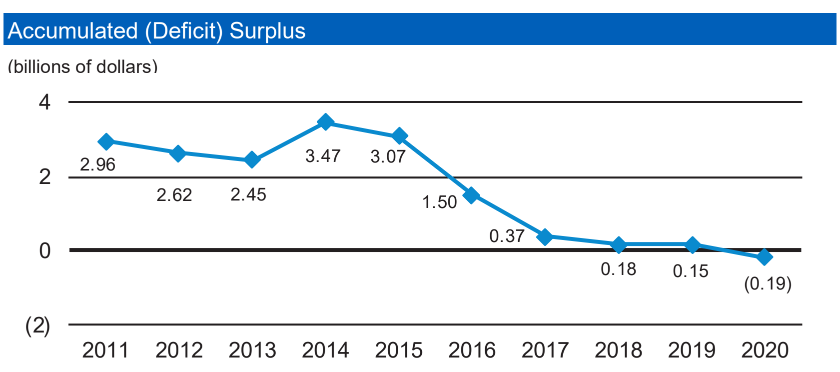


The 2019-20 SFS report a deficit of $319 million, a $51 million increase over the $268 million deficit reported in the previous year. The year-over-year increase in deficit is mainly attributable to increases in all expense themes but agriculture, with the most notable increases in health and education expenses. The overall increase in expense was partially offset by an overall increase in revenue. Increases in taxation and transfers from federal government revenue were partially offset by a decrease in net income from government business enterprises (GBEs).

Compared to the budget, the deficit is $354 million greater-than-expected. The budget shortfall is mainly attributable to lower-than-budgeted revenue and higher-than-budgeted expenses. For revenue, lower-than-budgeted net income from GBEs and non-renewable resources revenue was partially offset by greater-than-expected transfers from the federal government. Higher-than-budgeted health and education expenses were partially offset by lower-than-expected agriculture expenses.

Accumulated (Deficit) Surplus

An accumulated (deficit) surplus represents the government's reported net economic (shortfall) resources. An accumulated (deficit) surplus indicates that a government (requires) has additional resources to provide future services.



At March 31, 2020, the Government is reporting an accumulated deficit for the first time since 2007-08. The $191 million accumulated deficit is a $346 million reduction from the previous year's accumulated surplus. The accumulated deficit is $380 million lower than the budgeted accumulated surplus. The decreases from the prior year and budget were mainly the result of the greater-than-budgeted deficit of $319 million.

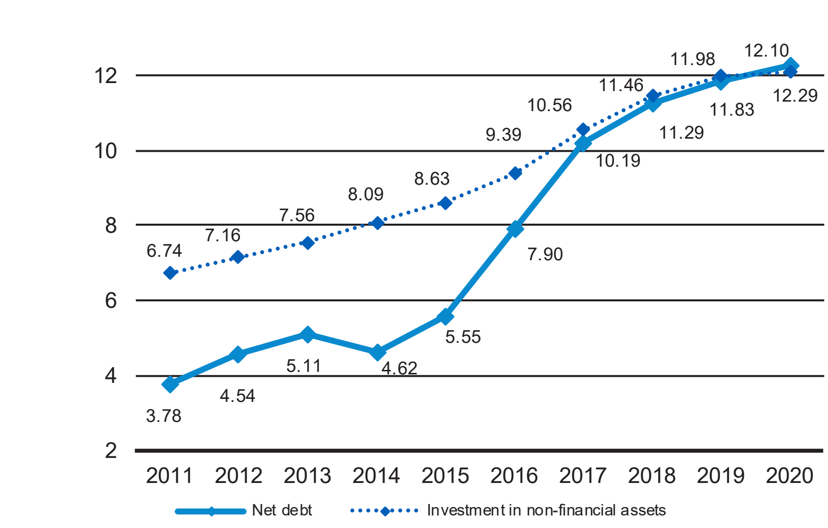
Highlights

Net Debt

Net debt provides a measure of the future revenue that is required to pay for past transactions and events.

Net Debt

(billions of dollars)



The net debt reported in the SFS at March 31, 2020 is $12.29 billion, an increase of $460 million over the prior year. The year-over-year increase in net debt is primarily due to the deficit reported in the current year together with the net acquisition of capital assets tied to the Government's continued investment in infrastructure.

Net debt is $229 million greater than the budget. The increase in net debt over budget is primarily due to the greater-than-expected deficit and an unbudgeted adjustment to opening accumulated surplus, partially offset by lower-than-budgeted net acquisition of capital assets.

The net debt of the SFS is:

- the accumulated (deficit) surplus, representing the extent to which past (expenses) revenues have exceeded past (revenue) expenses; offset by
- the investment in non-financial assets, primarily representing the Government's investment in educational and health care facilities and highways.

Net Debt Components

(millions of dollars)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Accumulated (deficit) surplus	2,961	2,617	2,449	3,469	3,074	1,495	372	176	155	(191)
Investment in non-financial assets	(6,744)	(7,161)	(7,558)	(8,085)	(8,626)	(9,394)	(10,564)	(11,464)	(11,984)	(12,098)
Net Debt	(3,783)	(4,543)	(5,109)	(4,615)	(5,552)	(7,899)	(10,192)	(11,288)	(11,829)	(12,289)

Totals may not add due to rounding.

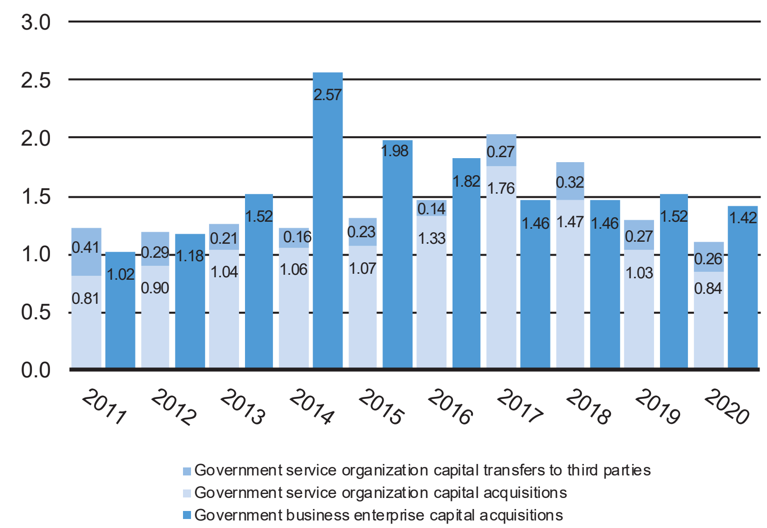
Highlights

Investment in Infrastructure

The Government invests in infrastructure by:
- investing in government-owned capital; and
- providing transfers to third parties, including municipalities and universities, for capital purposes.

Investment in Infrastructure

(billions of dollars)



During 2019-20, the Government invested $2.26 billion in government-owned infrastructure: $1.42 billion for government business enterprises (GBEs) to build new and maintain existing infrastructure; and $843 million to meet the capital requirements of government service organizations (GSOs). In addition, $262 million was provided to third parties to fund their capital needs.

Investment in government-owned infrastructure was down from the average of the previous nine years of $2.78 billion and was $203 million less than budgeted. $75 million (2019 - $314 million) of the Government's current year investment was through public private partnerships (P3s).

Credit Rating

Credit Ratings – March 2020

	Rating Agency[1]		
Jurisdiction	Moody's Investors Service Inc.	Standard & Poor's	DBRS Morningstar
British Columbia	Aaa	AAA	AA (high)
Alberta	Aa2	A+	AA (low) (neg)
Saskatchewan	Aaa	AA	AA
Manitoba	Aa2	A+ (pos)	A (high)
Ontario	Aa3	A+	AA (low)
Quebec	Aa2	AA-	AA (low)
New Brunswick	Aa2	A+	A (high)
Nova Scotia	Aa2	AA-	A (high)
Prince Edward Island	Aa2	A (pos)	A
Newfoundland & Labrador	A1	A	A (low)

Ratings reflect the latest credit ratings available at March 31, 2020.

[1] The rating agencies assign letter ratings to borrowers. The major A bracket categories, in descending order of credit quality, are: AAA/Aaa; AA/Aa; A. The '1', '2', '3', 'high', 'low', '-', and '+' modifiers show relative standing within the major categories with (pos)/(neg) representing a positive/negative outlook or trend. For example, AAA exceeds AA, Aa1 exceeds Aa2 and AA exceeds AA-.

The Province obtains a credit rating from the three major credit rating agencies: Moody's Investors Service Inc.; Standard & Poor's; and the DBRS Morningstar. Overall, Saskatchewan's credit rating from the three major credit rating agencies ranks second highest among the Canadian provinces.

Restatement

During 2019-20, it was determined that Health Sector Affiliates (affiliates) meet the criteria for inclusion in the government reporting entity resulting in the consolidation of affiliates in the Summary Financial Statements effective April 1, 2018. Accordingly, the 2019 prior year figures have been restated throughout the FSD&A.

Assessment of Fiscal Health

A government's fiscal management can be gauged through an assessment of its fiscal health in the context of the overall economic and financial environment. Fiscal health describes a government's ability to meet its existing financial obligations, both with respect to its service commitments to the public and its financial commitments to creditors, employees and others. The assessment of the Government's fiscal health considers the three elements of sustainability, flexibility and vulnerability on the basis of the following indicators:

Sustainability
- Accumulated (deficit) surplus to the Province's GDP
- Net debt to the Province's GDP
- Net debt to total revenue
- Net debt per capita

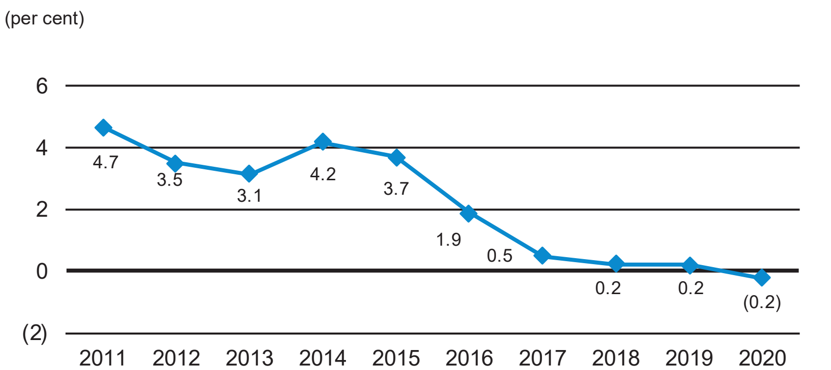
Flexibility
- Financing charges to total revenue
- Own-source revenue to the Province's GDP

Vulnerability
- Non-renewable resources revenue to total expense
- Transfers from the federal government to total revenue
- Foreign currency debt to net debt

Sustainability

Sustainability is the degree to which a government can maintain its existing level of spending and meet its existing debt obligations.

Accumulated (Deficit) Surplus to the Province's GDP



The relatively stable ratio from 2010-11 to 2014-15 indicates the Government's overall fiscal policies over this period matched the rate of economic growth in the Province. The decrease in this ratio in 2015-16 and 2016-17 is mainly a result of market-driven variables, such as low oil prices. The return to relatively stable ratios from 2017-18 to 2019-20 reflects the revenue stability and cost control measures introduced in the 2017-18 budget. A decline in the financial markets in the first quarter of 2020 contributed to a decrease in this ratio in 2019-20.

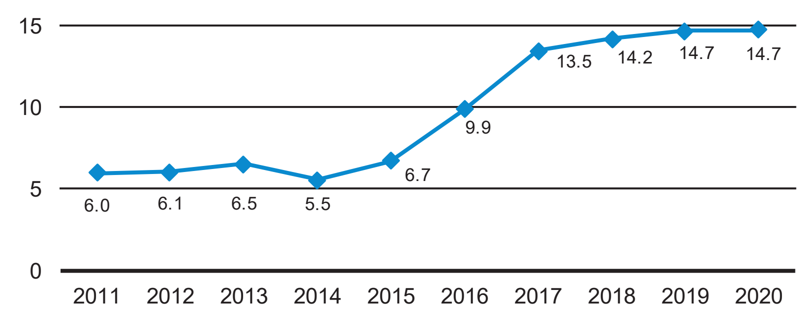
The accumulated (deficit) surplus measures the sum of all current and prior years' operating results. Gross domestic product (GDP) is a measure of the value of the goods and services produced during a year, indicating the size of the provincial economy. GDP reflects the latest figures available for the current and prior years based on the data produced by Statistics Canada. The indicator takes a long-term view of government finances. The trend of accumulated (deficit) surplus as a percentage of GDP indicates whether the accumulated (deficit) surplus is changing faster or slower than the growth or decline in the economy and provides insight into the Government's fiscal strategy in the context of the economy.

Assessment of Fiscal Health

Sustainability (*continued*)

Net Debt to the Province's GDP

(per cent)

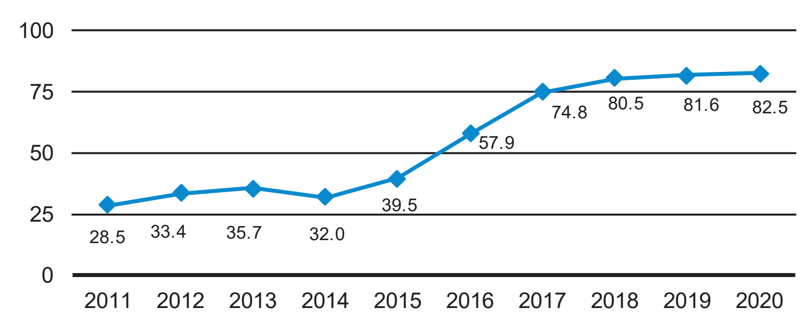


Net debt is the difference between a government's financial assets and liabilities and represents the future revenue that is required to pay for past transactions and events. Net debt as a percentage of the Province's GDP provides a measure of the level of financial demands placed on the economy by the Government's spending and taxation policies. A lower net debt to GDP ratio is desired and indicates higher sustainability.

The relatively stable ratio from 2010-11 to 2014-15 indicates the Government's overall fiscal policies over this period of time were sustainable to the extent that the rate of economic growth in the Province matched the growth in net debt. The rise in this ratio in 2015-16 and 2016-17 is mainly a result of market-driven variables, such as low oil prices, together with the Government's continued investment in infrastructure. The return to relatively stable ratios from 2017-18 to 2019-20 reflects the revenue stability measures introduced in the 2017-18 budget and a strengthening provincial economy over this period of time.

Net Debt to Total Revenue

(per cent)



Another measure of a government's sustainability is net debt as a percentage of total revenue. Net debt provides a measure of the future revenue that is required to pay for past transactions and events. A lower net debt to revenue ratio indicates higher sustainability, as less time is required to eliminate net debt.

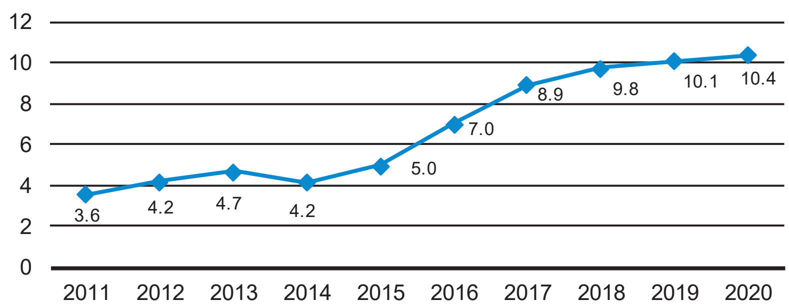
Over the last ten years, the Government's net debt as a percentage of total revenue has increased from 28.5 per cent in 2010-11 to 82.5 per cent in 2019-20. The overall increase in this ratio during this period is primarily the result of the Government's significant investment in capital. The fall in revenue tied to low oil and potash prices in 2015-16 and 2016-17 increased this upward trend, however, responsible spending, efforts to reduce reliance on non-renewable resource revenues as well as more favorable resource revenues has slowed this upward trend in recent years.

Assessment of Fiscal Health

Sustainability (*continued*)

Net Debt per Capita

(thousands of dollars)



Figures are based on Statistics Canada first quarter estimates representing the population at January 1 of each year.

Net debt per capita represents the net debt attributable to each Saskatchewan resident. An increase in this ratio indicates the debt burden per resident has grown.

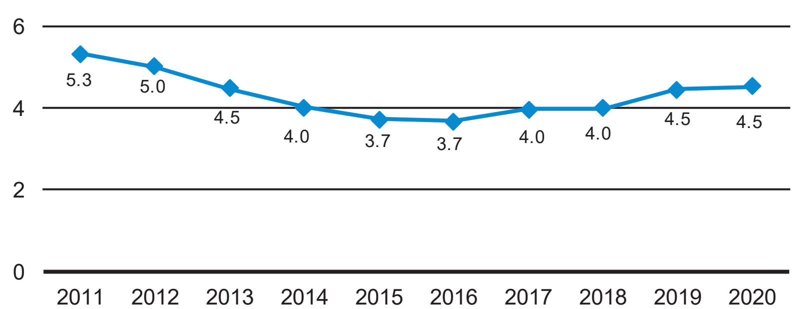
The overall increase in this ratio over the last ten years is a result of an increase in net debt that exceeds the growth in the Province's population over the same period. The rise in this ratio from 2014-15 to 2016-17 indicates that the annual increase in the Province's population in those years was proportionately lower than the increase in net debt over the same period. The $4.64 billion increase in net debt over this period was mainly a result of market-driven variables, such as low oil prices, together with the Government's investment in infrastructure. The return to relatively stable ratios from 2017-18 to 2019-20 reflects the revenue stability measures introduced in the 2017-18 budget and a strengthening provincial economy over much this period. A decline in the financial markets in the first quarter of 2020 contributed to an increase in this ratio in 2019-20.

Flexibility

Flexibility is the extent to which a government has room to manoeuver in terms of increasing its debt or tax burden on the economy.

Financing Charges to Total Revenue

(per cent)



A financing charges to total revenue ratio, often referred to as the interest bite, indicates the proportion of provincial revenue that is required to pay interest charges on general debt and therefore is not available to pay for essential public services and programs. A lower ratio means that there is more money available to provide government services.

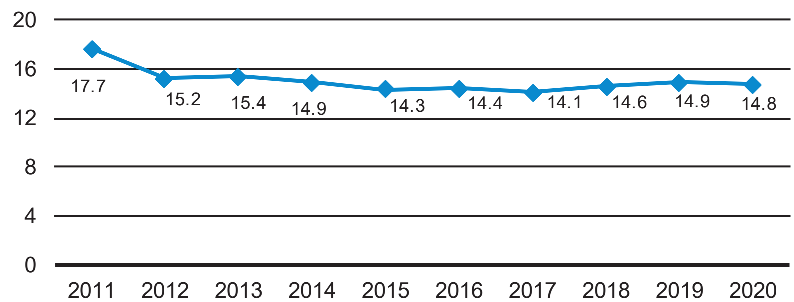
Over the last ten years, there has been an overall decrease in the interest bite due to both increased revenue and decreased interest costs. In 2019-20, the Government spent approximately 4.5 cents of each dollar of revenue on financing charges on general debt, compared to 5.3 cents in 2010-11. This reduction leaves more resources available to the Government to provide services without increasing revenue.

Assessment of Fiscal Health

Flexibility (*continued*)

Own-Source Revenue to the Province's GDP

(per cent)



Own-source revenue as a percentage of GDP has remained relatively constant over the last ten years indicating that the Government has not significantly changed its demands on the provincial economy over this time. This ratio, while relatively constant, shows an overall decreasing trend which indicates that the Government's flexibility has improved over the last ten years.

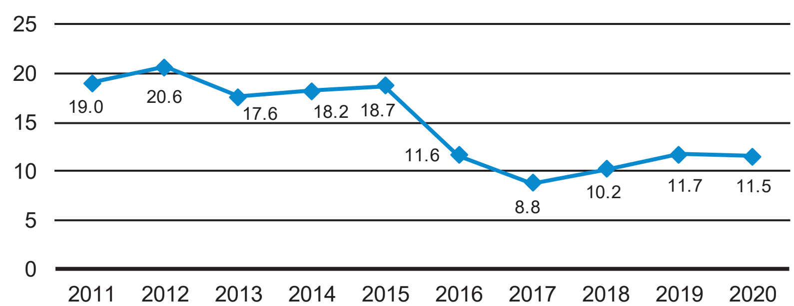
This ratio measures the extent to which the Government is taking income out of the provincial economy, through taxation, non-renewable resources revenue or user fees. An increase in this ratio indicates that the Government's own-source revenue is growing faster than the economy, reducing the Government's flexibility to increase revenue without slowing the growth of the provincial economy.

Vulnerability

Vulnerability is the extent to which a government is dependent on, or exposed to, risks associated with sources of funding outside its control.

Non-Renewable Resources Revenue to Total Expense

(per cent)



In Saskatchewan, non-renewable resources revenue is an important but volatile source of revenue. A higher than normal non-renewable resources revenue to total expense ratio typically means that there has been a windfall in non-renewable resources revenue, where prices and/or sales are at above-normal levels. Likewise, when the ratio is lower than normal, it typically represents a period of reduced prices or sales.

The increase in the indicator since 2016-17 is a result of strengthening non-renewable resource revenue and a focus on controlled spending.

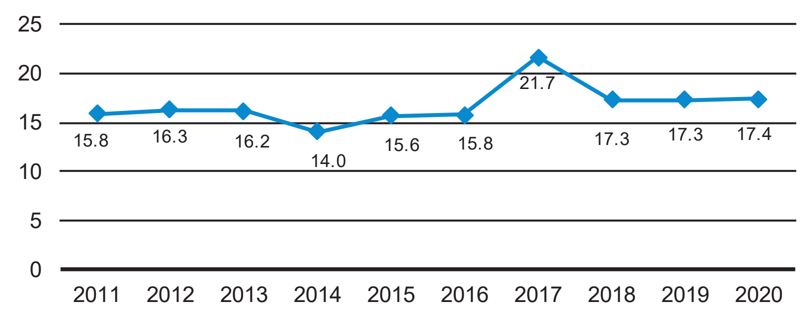
Non-renewable resources revenue is affected by price and sales factors which are beyond a government's direct control. Non-renewable resources revenue as a percentage of total expense is therefore an indicator of how vulnerable the Province is as a result of its dependence on non-renewable resources revenue to fund its expenses.

Assessment of Fiscal Health

Vulnerability (*continued*)

Transfers from the Federal Government to Total Revenue

(per cent)



In 2019-20, 17.4 per cent of the Government's revenue came from transfers from the federal government with the remainder coming from Saskatchewan sources. The Government's ability to fund essential programs and services from own-source revenue has remained fairly stable over the past ten years with the exception of significant one-time infrastructure transfers from the federal government received during 2016-17.

The Government does not control the amount of federal transfers that it receives each year. Transfers from the federal government as a percentage of total revenue is therefore an indicator of the degree of vulnerability the Government has as a result of reliance on the federal government for revenue. Generally, a decreasing ratio indicates that a government is less reliant on federal transfers to fund its programs, making it less vulnerable.

Foreign Currency Debt to Net Debt

The ratio of foreign currency debt to net debt is an indicator of the degree of vulnerability a government has to currency rate fluctuations. Where the Government holds debt that is issued in foreign currencies it often uses cross-currency swaps, a hedging strategy, to effectively convert this debt to Canadian dollar debt. At March 31, 2020, this ratio is nil due to the Government's hedging strategies. Over the last ten years, exposure to currency rate fluctuations on foreign currency debt has been minimal. Decreasing this exposure through the use of hedging activities mitigates the risk of debt and financing charges changing due to changes in foreign currency rates.

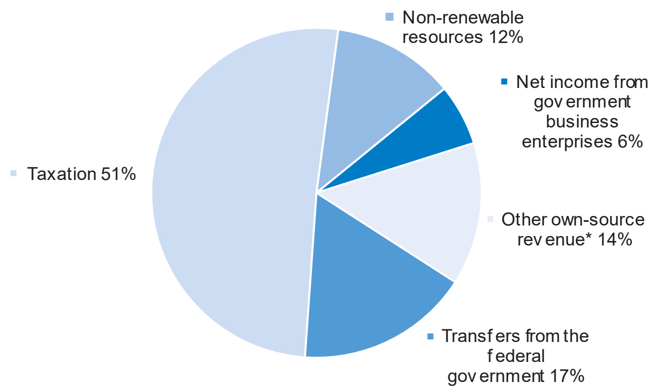
Details

Revenue

Total revenue was $14.89 billion in 2019-20, 17.4 per cent of which represents transfers from the federal government and the remaining 82.6 per cent own-source revenue.

Revenue by Source – 2019-20 ($14.89 billion)

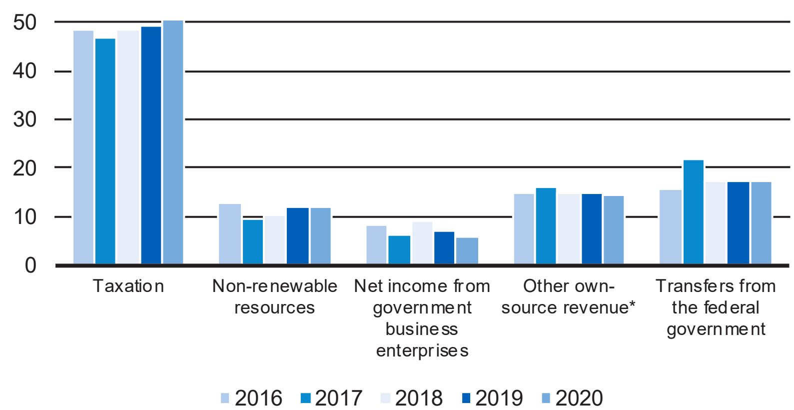
(per cent)



* Key components of "other own-source revenue" include fees (56%), insurance (13%), investment income (6%), and transfers from other governments (4%).

Revenue by Source – Percentage of Total Revenue

(per cent)



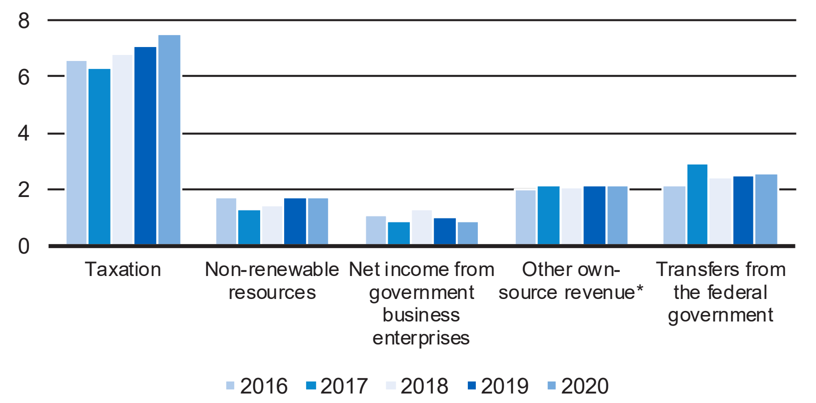
* In 2019-20, key components of "other own-source revenue" include fees (56%), insurance (13%), investment income (6%), and transfers from other governments (4%).

Details

Revenue (*continued*)

Revenue by Source

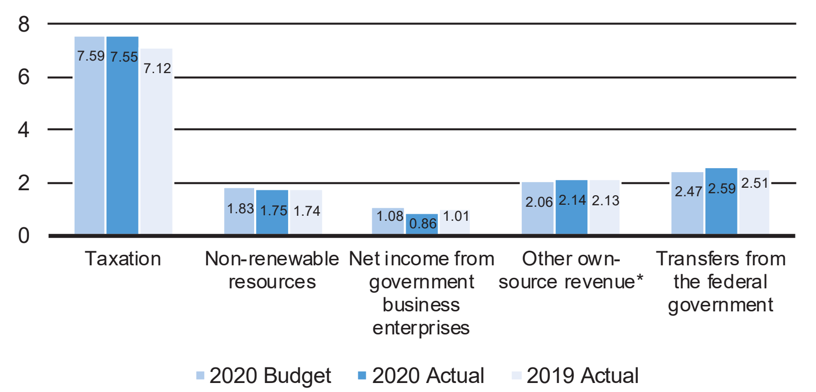
(billions of dollars)



* In 2019-20, key components of "other own-source revenue" include fees ($1.20 billion), insurance ($279 million), investment income ($119 million), and transfers from other governments ($78 million).

Revenue by Source – Comparison to Budget and Prior Year

(billions of dollars)



* In 2019-20, key components of "other own-source revenue" include fees ($1.20 billion), insurance ($279 million), investment income ($119 million), and transfers from other governments ($78 million).

Total revenue of $14.89 billion in 2019-20 represents a year-over-year increase of $386 million, or 2.7 per cent. This increase was a result of significant increases in taxation and transfers from the federal government, partially offset by a decrease in net income from Government Business Enterprises (GBEs).

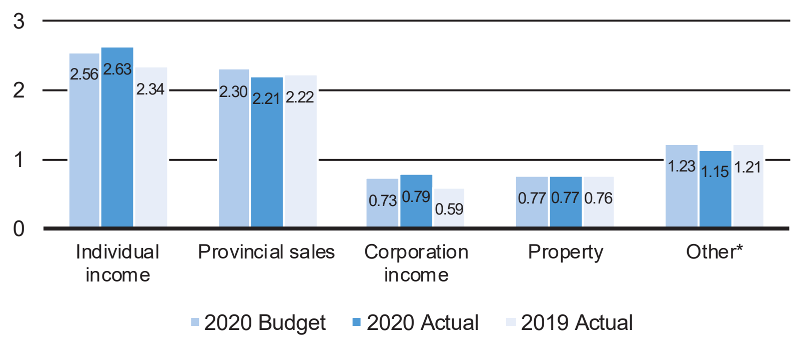
Revenue was less than budget by $138 million, or 0.9 per cent. This decrease was a result of lower-than-expected net income from GBEs, non-renewable resources, and taxation revenue, partially offset by greater-than-expected transfers from the federal government and other own-source revenue.

Details

Revenue (*continued*)

Taxation Revenue – Comparison to Budget and Prior Year

(billions of dollars)



Taxation revenue was $7.55 billion in 2019-20, an increase of $437 million, or 6.1 per cent, over 2018-19 and a $35 million, or 0.5 per cent, shortfall from budget. The $437 million increase over prior year was largely due to an increase in individual and corporation income, partially offset by a decrease in fuel, tobacco and provincial sales tax. The $35 million budget shortfall is largely attributable to lower-than-expected provincial sales, fuel and tobacco taxes, partially offset by greater-than-expected individual and corporation income taxes.

* In 2019-20, key components of "other" include fuel ($508 million) and tobacco ($207 million).

Individual income tax

Actual to Prior Year
↑ $289 million
12.4%

Actual to Budget
↑ $73 million
2.9%

The year-over-year and actual-to-budget increases are primarily due to:
- an improvement in the prior year's reconciliation adjustment due to favorable 2018 taxation year assessments; and
- increases in income tax payments in the current year.

This increase is partially offset by:
- a decline in current year payments resulting from a lower proportion of the provincial tax base being taxed at the general tax rate.

Provincial sales tax

Actual to Prior Year
↓ $19 million
0.9%

Actual to Budget
↓ $99 million
4.3%

The year-over-year and actual-to-budget decreases are primarily due to:
- a decrease in retail sales primarily due to a reduction in the sales base that is reflective of weakened economic activity, particularly in the manufacturing and oil and gas sectors; and
- an increase over the prior year in Saskatchewan Low Income Tax Credit payments, which were lower than budgeted.

Corporation income tax

Actual to Prior Year
↑ $202 million
34.5%

Actual to Budget
↑ $58 million
8.0%

The year-over-year and actual-to-budget increases are primarily due to:
- an improvement in the prior year's reconciliation adjustment due to favorable 2018 taxation year assessments.

Property tax

Actual to Prior Year
↑ $11 million
1.4%

Actual to Budget
↑ $6 million
0.8%

The year-over-year increase is primarily due to:
- an increase in the number of assessed properties and an increase in the number of property re-inspections.

The increase over budget is nominal.

Other tax (including fuel, tobacco and other miscellaneous tax)

Actual to Prior Year
↓ $46 million
3.8%

Actual to Budget
↓ $74 million
6.0%

The year-over-year and actual-to-budget decreases are primarily due to:
- a decrease in fuel and tobacco tax due to reduced consumption combined with greater commercial refunds and First Nations rebates.

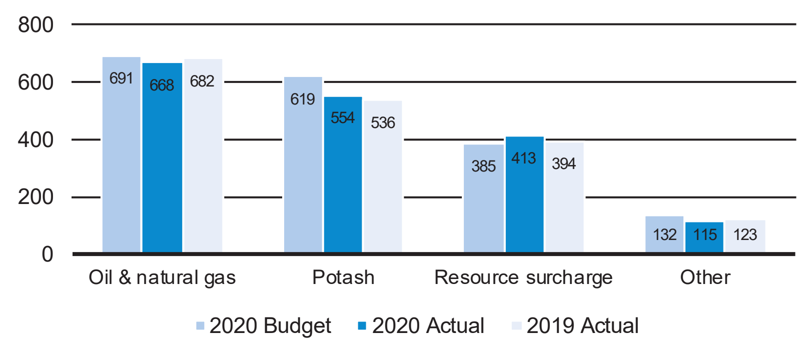
This decrease is partially offset by:
- increases in corporation capital tax from financial institutions and cannabis tax resulting from a full year of legalization and higher-than-budgeted consumption; and
- a year-over-year increase in insurance premium tax related to an increase in the value of insured property.

Details

Revenue (*continued*)

Non-Renewable Resources Revenue – Comparison to Budget and Prior Year

(millions of dollars)



In 2019-20, non-renewable resources revenue was $1.75 billion, an increase of $15 million, or 0.9 per cent, over 2018-19 and a $77 million, or 4.2 per cent, decrease when compared to budget. The year-over-year increase was primarily due to increases in resource surcharge and potash revenue, partially offset by a decrease in oil and natural gas and other revenue. The budget shortfall is largely attributable to lower-than-expected potash, oil and natural gas and other revenue, partially offset by greater-than-expected resource surcharge revenue.

Oil & natural gas

Actual to Prior Year
$14 million
2.0%

Actual to Budget
$23 million
3.4%

The year-over-year and actual-to-budget decreases are primarily due to:

- a lower average Canadian dollar well-head oil price in Saskatchewan of $52.54 per barrel in 2019-20, compared to the $54.58 per barrel in the prior year and $55.46 per barrel in the budget. This decrease in the average Canadian dollar well-head oil price is due to:
    - a lower average U.S. dollar West Texas Intermediate (WTI) oil price;
    - a lower light-heavy oil blend differential, partially offsetting the WTI price decrease; and
    - lower exchange rates resulting in higher Canadian dollar prices and therefore reducing the impact of the WTI price decline.

Potash

Actual to Prior Year
$18 million
3.4%

Actual to Budget
$64 million
10.4%

The year-over-year increase is primarily due to:

- an increase in the average mine netback price from $457 per K_2O tonne in 2018-19 to $490 per K_2O tonne in 2019-20.

This increase is partially offset by:

- a decrease in sales volume of 12.7 million K_2O tonnes in 2019-20 compared to 13.4 million K_2O tonnes in the prior year; and
- higher operating costs and capital spending deductions.

The decrease from budget is primarily due to:

- lower-than-expected sales volumes of 12.7 million K_2O tonnes in 2019-20 compared to 14.1 million K_2O tonnes at budget; and
- greater-than-expected operating cost deductions.

These decreases are partially offset by:

- an average mine netback price of $490 per K_2O tonne in 2019-20 that was greater than the budget of $470 per K_2O tonne; and
- a lower-than-expected Canadian dollar value.

Resource surcharge

Actual to Prior Year
$19 million
5.0%

Actual to Budget
$28 million
7.4%

The year-over-year and actual-to-budget increases are primarily due to:

- an increase from the potash sector mainly reflecting prior-year catch-up payments.

This increase is partially offset by:

- a decrease from the oil and gas sector due to a lower value of oil sales and lower-than-budgeted production values.

Details

Revenue (*continued*)

Other non-renewable resources *(including crown land sales and other miscellaneous non-renewable resources)*

Actual to Prior Year	Actual to Budget
↓ $9 million 7.3%	↓ $17 million 13.1%

The year-over-year and actual-to-budget decreases are primarily due to:

- a decrease in crown land sales due to a reduction in both hectares sold and the average price per hectare reflecting the low oil price environment.

This decrease is partially offset by:

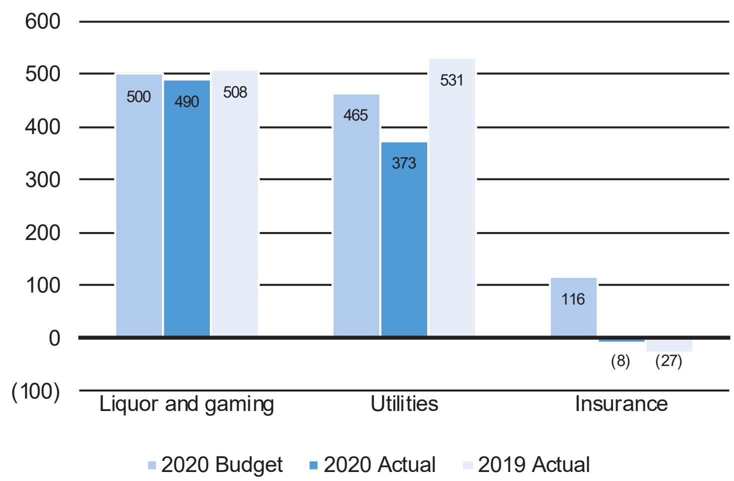
- an increase in uranium royalties primarily from prior-year audit adjustments and an increase in gold revenue from higher mining grades and prices.

Details

Revenue *(continued)*

Net Income from GBEs – Comparison to Budget and Prior Year

(millions of dollars)



Net income from Government Business Enterprises (GBEs) was $855 million in 2019-20, a decrease of $156 million, or 15.4 per cent, from 2018-19 and $225 million, or 20.8 per cent, from budget. The decrease from prior year was primarily due to a decrease in utilities. The decrease from budget was primarily due to less-than-expected net income from insurance and utilities.

Liquor and gaming

Actual to Prior Year
$17 million
3.4%

Actual to Budget
$9 million
1.9%

The year-over-year and actual-to-budget decrease is nominal.

Utilities

Actual to Prior Year
$158 million
29.7%

Actual to Budget
$91 million
19.7%

The year-over-year decrease is primarily due to:

- a decreased margin on natural gas sales resulting from:
    - a decrease in the natural gas rate;
    - limited asset optimization opportunities due to reduced volatility;
    - unfavorable year-over-year market value adjustments; and
    - less units sold due to the current year being warmer than the prior year.
- losses reported in the year for disposal and write-down of assets, notably the permanent impairment on a natural gas exploratory site; and
- an increase in capital related costs, including depreciation and financing costs, related to ongoing capital expenditure.

These decreases are partially offset by:

- an increase in natural gas transportation and storage revenue resulting from industrial customer and related power generation load growth;
- an increase in net income from electricity sales where lower sales volumes in several sectors were more than offset by: amounts collected under the new Federal Carbon tax but not yet paid; and a favorable change in fuel mix that more than offset the increase in the average price of purchased fuel; and
- an increase in net income for telecommunication services where a decline in legacy revenue is more than offset by growth in fixed and wireless broadband services.

The decrease from budget is primarily due to:

- greater-than-expected fuel and purchased power costs, primarily due to the unbudgeted impact of the introduction of the Federal Carbon tax;
- higher-than-expected asset optimization volumes and higher average cost in natural gas that resulted in the cost of natural gas exceeding sales revenue when compared to budget. These unfavorable changes from budget related to natural gas were partially offset by unbudgeted physical swap sales, a greater-than-expected demand for transportation services and an increase over budget in customer contribution revenue; and
- a COVID-19 related impairment loss for declining telecommunication market services revenue.

Details

Revenue (*continued*)

Insurance

Actual to Prior Year	Actual to Budget
$19 million	$124 million
70.0%	107.0%

The increase over prior year is primarily due to:

- an improvement in underwriting results largely due to growth in premiums written, an increase that was not entirely matched with growth in related claims.

This increase is partially offset by:

- weak investment results reflecting the increased market volatility experienced in the first quarter of 2020 largely due to COVID-19.

The decrease from budget is primarily due to:

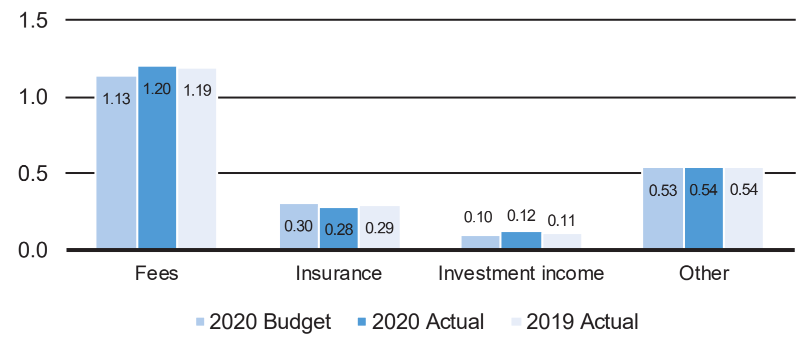
- lower-than-anticipated investment income as budgets could not have anticipated COVID-19 and the impact that the pandemic would have on investment markets; and
- lower-than-expected underwriting results where the actuarially determined provision for future payments on existing claims and estimate for claims incurred but not yet reported was unfavorable compared to budget.

Details

Revenue *(continued)*

Other Own-Source Revenue – Comparison to Budget and Prior Year

(billions of dollars)



Other own-source revenue was $2.14 billion in 2019-20. The year-over-year increase of $10 million, or 0.5 per cent, was primarily due to increases in fees, miscellaneous and investment income, partially offset by a decrease in insurance revenue.

When compared to budget, other own-source revenue increased by $76 million, or 3.7 per cent, representing higher-than-expected fees, miscellaneous and investment income, partially offset by lower-than-expected insurance.

Other own-source

Actual to Prior Year
$10 million
0.5%

Actual to Budget
$76 million
3.7%

The year-over-year increase is primarily due to:

- an increase in donations revenue, mainly designated for equipment in the Jim Pattison Children's Hospital (JPCH);
- a net increase in investment income primarily due to higher sinking fund earnings and interest rates; partially offset by a decrease in the public employees' benefit plans investment income related to market volatility in the first quarter of 2020; and
- an increase in immigration deposit forfeitures.

These increases are partially offset by decreases in:

- bottle deposits revenue due to an increase in refunds to consumers;
- agricultural land sales;
- forest fire revenue for services provided to other jurisdictions;
- forest revenue related to reduced harvesting and commodity prices;
- agricultural insurance premiums due to higher producer discounts and shifts in crop mix and unseeded acre coverage: and
- lottery profits.

The increase over budget is primarily due to:

- the first-time inclusion of health sector affiliates in the government reporting entity;
- higher-than-budgeted student fees, investment earnings and other miscellaneous income in the Boards of Education; and
- higher-than-expected donation revenue, mainly designated for equipment in the JPCH.

These increases are partially offset by:

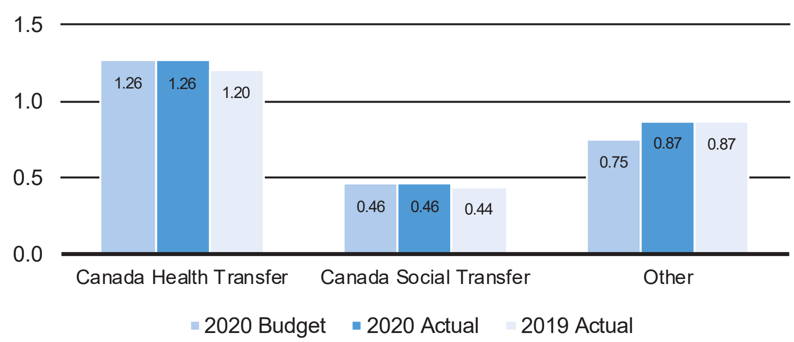
- lower-than-expected investment income in the public employees' benefit plans due to volatility in the investment market in the first quarter of 2020;
- a budgeted asset sale that was not completed before year-end at the Saskatchewan Opportunities Corporation; and
- lower-than-budgeted motor vehicle fees on vehicle registrations.

Details

Revenue *(continued)*

Transfers from the Federal Government – Comparison to Budget and Prior Year

(billions of dollars)



Federal transfers were $2.59 billion in 2019-20, an increase of $80 million, or 3.2 per cent, over 2018-19 and $123 million, or 5.0 per cent, when compared to budget. The year-over-year increase was mainly due to increases in payments from the Canada Health and Social Transfer programs. The increase over budget was primarily due to a one-time supplement to gas tax funding and greater-than-expected federal disaster assistance payments.

Canadian Health Transfer

Actual to Prior Year
$59 million
4.9%

Actual to Budget
$1 million
0.1%

The year-over-year increase is primarily due to:

- a legislated annual increase in the national allocation equal to the greater of 3 per cent and the nominal GDP growth rate with an adjustment for changes in Saskatchewan's share of the national population.

The decrease from budget was nominal.

Canadian Social Transfer

Actual to Prior Year
$15 million
3.3%

Actual to Budget
$0.4 million
0.1%

The year-over-year increase is primarily due to:

- a legislated 3 per cent annual increase in the national allocation with an adjustment made for changes in Saskatchewan's share of the national population.

The decrease from budget was nominal.

Other transfers from the federal government

Actual to Prior Year
$6 million
0.6%

Actual to Budget
$124 million
16.6%

The year-over-year and actual-to-budget increases are primarily due to:

- a one-time supplement to gas tax funding;
- additional federal stabilization payments related to claims from the 2016-17 fiscal year;
- Saskatchewan's share of the initial $500 million COVID-19 federal funding;
- new infrastructure funding under the Canada-Saskatchewan Integrated Bilateral Agreement; and
- an increase in assistance to the Wildlife Damage Compensation Program due to crops left on the field over winter from a wet harvest.

These increases were partially offset by:

- one-time funding received in the prior year for the operation and future maintenance of federal dams transferred to the Province;
- a decrease in the Building Canada Fund-Provincial Territorial Infrastructure funding due to lower eligible expenses;
- a budgeted decrease for the Clean Water and Wastewater Fund as the program is wound down;
- lower AgriStability funding due to a forecasted decrease in indemnity payments;
- lower crop insurance premiums, due to higher producer discounts and shifts in crop mix and unseeded acre coverage; and
- a year-over-year decrease in federal disaster assistance funding that, despite the decrease, remained greater-than budgeted.

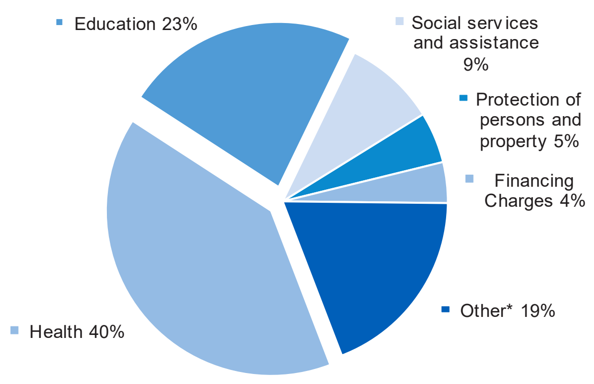
Details

Expense

Total expense was $15.21 billion in 2019-20, 62.8% of which represents spending in the health and education sectors. The SFS report expense by theme and by object, or major type of expense such as salaries and benefits, transfers and operating costs.

Expense by Theme – 2019-20 ($15.21 billion)

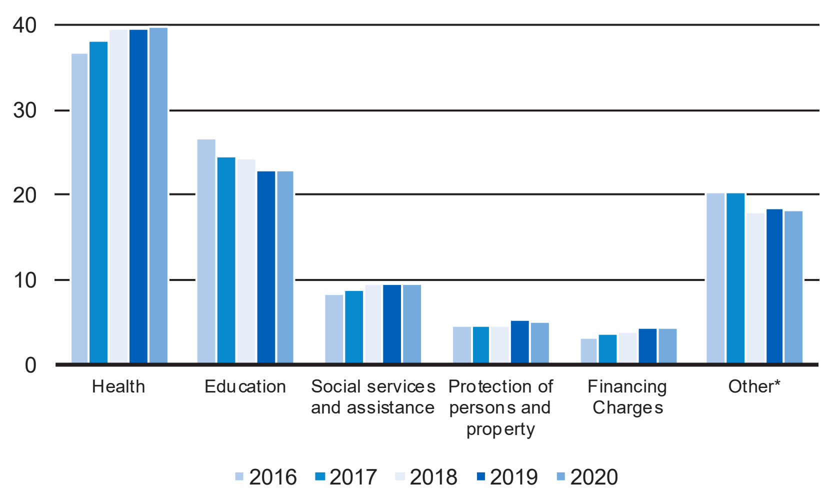
(per cent)



* Key components of "other" include community development (4%), agriculture (4%), transportation (4%), economic development (2%) and environment and natural resources (1%).

Expense by Theme – Percentage of Total Expense

(per cent)



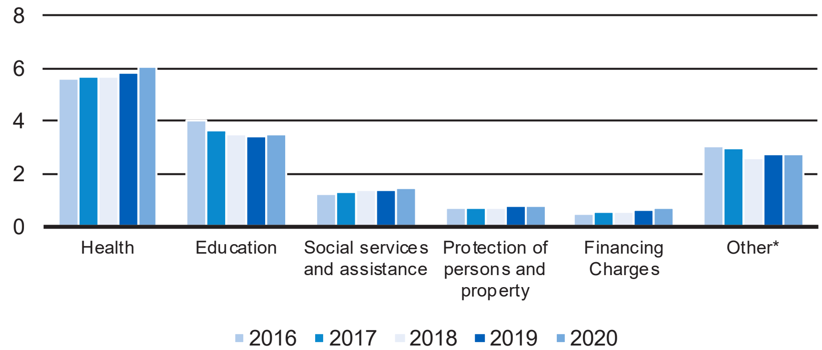
* Key components of "other" include community development (4%), agriculture (4%), transportation (4%), economic development (2%) and environment and natural resources (1%).

Details

Expense (*continued*)

Expense by Theme

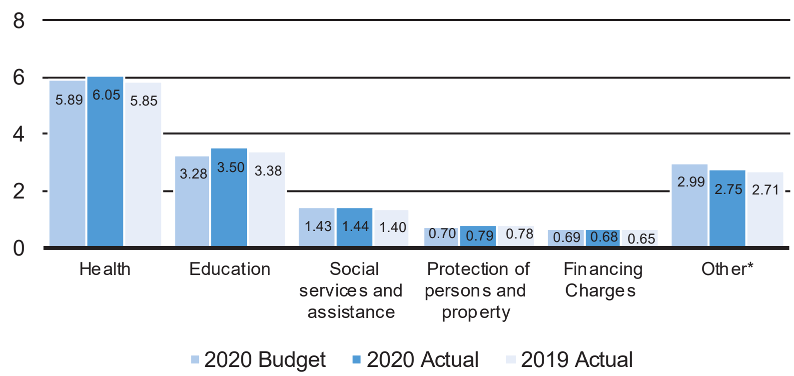
(billions of dollars)



* In 2019-20, key components of "other" include community development ($641 million), agriculture ($633 million), transportation ($545 million), economic development ($233 million) and environment and natural resources ($197 million).

Expense by Theme – Comparison to Budget and Prior Year

(billions of dollars)



* In 2019-20, key components of "other" include community development ($641 million), agriculture ($633 million), transportation ($545 million), economic development ($233 million) and environment and natural resources ($197 million).

Total expense was $15.21 billion in 2019-20. This represents an increase of $437 million, or 3.0 per cent, over the prior year. While increases were reported in all but the agriculture expense theme, the most notable increases were in health due to volume-based pressures and education related to teachers' pension costs.

The total expense reported in 2019-20 was $216 million, or 1.4 per cent, greater than the budget. The increase over budget was primarily due to greater-than-expected education expenses related to teachers' pension costs and health expenses due to volume-based pressures. These increases were partially offset by lower-than-budgeted agricultural insurance claims due to favorable crop conditions compared to the budget which is based on a 10-year average.

Details

Expense (*continued*)

Health

Actual to Prior Year
$204 million
3.5%

Actual to Budget
$163 million
2.8%

The year-over-year and actual-to-budget increases are primarily due to:

- volume-based pressures across the health sector, the most significant relating to salaries and benefits where there are increases for physician remuneration, overtime, sick leave and COVID-19 preparedness and health measures;
- additional staffing for the Jim Pattison Children's Hospital (JPCH), mental health/connected care programing and a new Gynecological Oncology program;
- higher utilization of out-of-province services;
- additional spending on drugs and medical supplies due to an increase in price and utilization; and
- an increase in minor equipment purchases related to opening JPCH.

The increase over budget was additionally impacted by:

- the first-time inclusion of health sector affiliates in the government reporting entity.

Education

Actual to Prior Year
$119 million
3.5%

Actual to Budget
$219 million
6.7%

The year-over-year increase is primarily due to:

- an increase in pension costs for Teacher's Superannuation Plan (TSP) due to net losses arising from changes in actuarial assumptions and plan experience differences.

The increase over budget is mainly attributed to:

- greater-than-expected pension costs for TSP due to lower-than-expected interest rates; and
- greater-than expected student support grants and loan forgiveness benefits.

Social services and assistance

Actual to Prior Year
$38 million
2.7%

Actual to Budget
$4 million
0.3%

The year-over-year increase is primarily due to:

- higher utilization of child and family community based organization services; and
- increased spending in various income assistance and disability service programs including:
  - the introduction of new residential and day programing for adults with intellectual disabilities;
  - higher caseload and cost per case in the Saskatchewan Assured Income for Disability program;
  - the cost of transitioning to a redesigned Saskatchewan Income Support program; and
  - an increased investment in front-line caregivers.

These increases were partially offset by:

- a decrease in rental housing supplements due to the suspension of new recipients into the program; and
- a decrease in subsidy assistance for affordable and non-profit housing primarily due to the windup of the Social Infrastructure Fund and Income for Affordable Housing programs.

The increase over budget is nominal.

Protection of persons and property

Actual to Prior Year
$7 million
0.9%

Actual to Budget
$86 million
12.3%

The year-over-year increase is nominal.

The increase over budget is primarily due to:

- the reclassification of wildfire management expenses from the environment to the protection of persons and property expense theme to better reflect the nature of the services being provided.

Details

Expense (*continued*)

Financing charges

Actual to Prior Year
⇧ $28 million
4.3%

Actual to Budget
⇩ $19 million
2.8%

The year-over-year increase is primarily due to:

- increases in general debt borrowing primarily related to the Saskatchewan Capital Plan to finance investment in infrastructure assets; and
- an increase in public private partnership (P3) obligations due to the completion of the Regina Bypass.

These increases were partially offset by:

- a reduction in pension related financing charges for the TSP and Public Service Superannuation Plan (PSSP) stemming from decreases in interest rates.

The decrease from budget is primarily due to:

- lower-than-budgeted TSP and PSSP pension related financing charges stemming from lower-than-expected interest rates; and
- lower-than-expected borrowing costs on general debt due to lower utilization of short-term debt.

Other expense themes (*including community development, agriculture, transportation, economic development, environment and natural resources, and other miscellaneous*)

Actual to Prior Year
⇧ $42 million
1.5%

Actual to Budget
⇩ $237 million
7.9%

The year-over-year increase is primarily due to:

- increased pension costs in the PSSP due to losses arising from changes in actuarial assumptions;
- an increase in Gas Tax Program funding to municipalities due to one-time funding provided by the federal government;
- increased funding provided for infrastructure through the Investing in Canada Infrastructure Program and New Building Canada Fund; and
- new funding to municipalities to phase out coal-fired electricity.

These increases were partially offset by:

- a recognition of Treaty Land Entitlement claims in the prior year;
- a decrease in AgriStability expenses reflecting an adjustment for prior year actual claim experience;
- savings from the wind-down of the Clean Water and Waste Water Fund; and
- completion of the Saskatoon North Commuter project in the prior year.

The decrease from budget is primarily due to:

- lower-than-budgeted crop insurance claims as current year crop yield and quality were better than the budgeted 10-year average;
- lower-than-expected funding provided for various infrastructure programs due to delays in the approval and initiation of capital projects; and
- the unbudgeted reclassification of wildfire management expenses from the environment to the protection of persons and property expense theme to better reflect the nature of the services being provided.

These decreases were partially offset by:

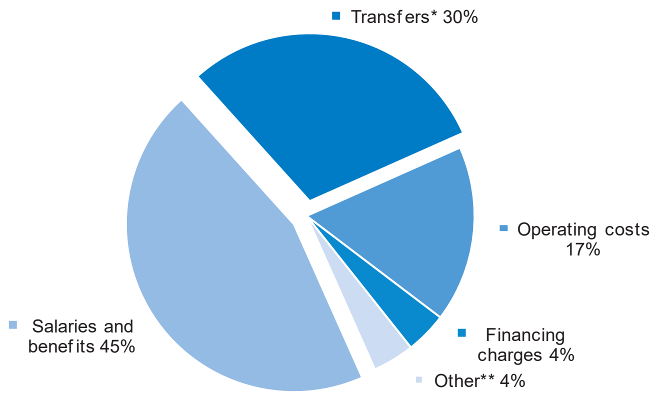
- greater-than-expected pension costs in the PSSP due to lower-than-expected interest rates;
- one-time unbudgeted Gas Tax Program funding to municipalities due to additional funding provided by the federal government;
- higher-than-expected wildlife damage claims due to crops left on the field over the winter; and
- greater-than-expected highway winter maintenance costs.

Details

Expense *(continued)*

Expense by Object – 2019-20 ($15.21 billion)

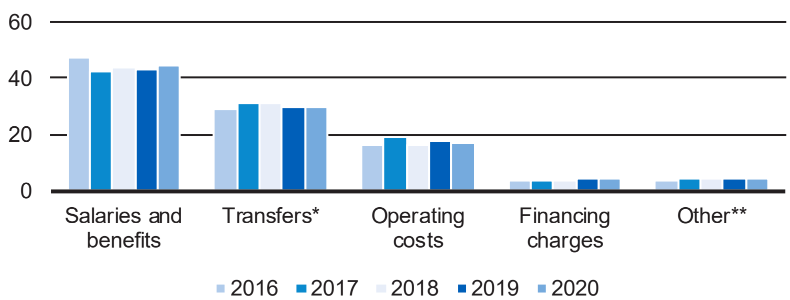
(per cent)



* Transfers are provided to third parties for salaries, capital and other costs.
** The key component of “other” is amortization of capital assets.

Expense by Object – Percentage of Total Expense

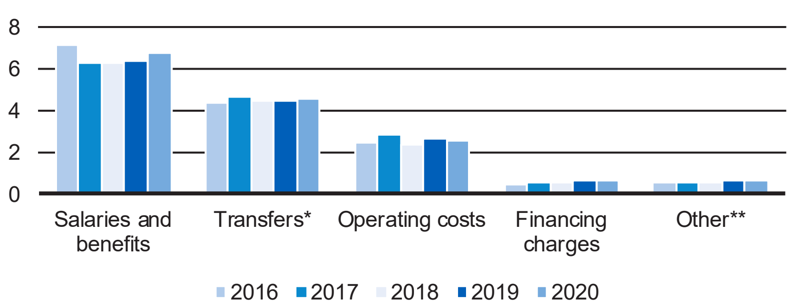
(per cent)



* Transfers are provided to third parties for salaries, capital and other costs.
** The key component of “other” is amortization of capital assets

Expense by Object

(billions of dollars)



* Transfers are provided to third parties for salaries, capital and other costs.
** The key component of “other” is amortization of capital assets.

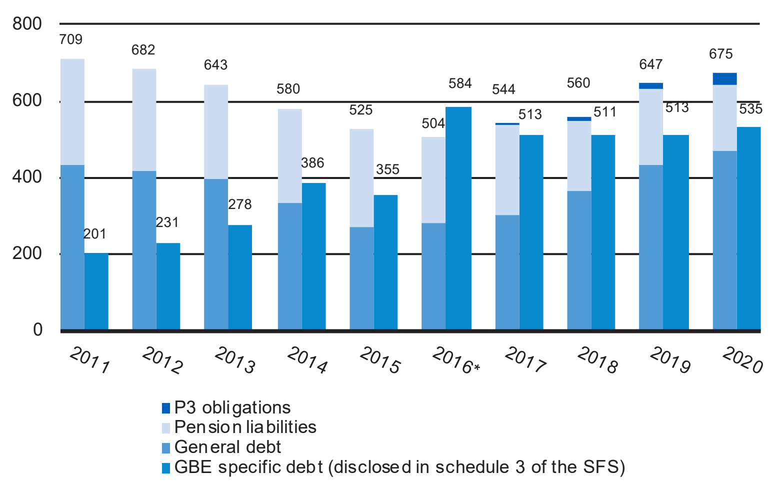
The most significant change was a $367 million increase in salaries and benefits which was primarily due to increased pension costs and volume-based pressures across the health sector.

Details

Expense (*continued*)

Financing Charges

(millions of dollars)



* In 2015-16, the inclusion of an additional three months of operations of certain GBEs contributed approximately $120 million to GBE financing charges.

The Statement of Operations reports financing charges that the Government incurs related to its general debt, unfunded pension liability and obligations under long-term financing arrangements (P3 obligations) but does not include government business enterprise (GBE) financing charges. GBE financing charges are included in the net income from GBEs reported on the Statement of Operations and disclosed in schedule 3 of the SFS. For general debt, financing charges are determined by the amount of general debt and the interest rate attached to that debt.

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Financing charges reported in the SFS have declined from $709 million in 2010-11 to $675 million in 2019-20, due primarily to a significant reduction in interest rates during this period. GBE financing charges have increased in recent years mainly due to an increase in debt financing for the replacement of aging infrastructure as well as for the building of new capacity to meet the demands of the province's growing population.

The average effective interest rate on gross debt during 2019-20 and 2018-19 was 3.9 per cent. Pension interest expense is a function of the unfunded pension liability and the interest rates that are based on the Government's borrowing rates. The average effective interest rate on the unfunded pension liability during 2019-20 was 2.5 per cent (2018-19 - 2.6 per cent). Interest on P3 obligations, ranging from 3.1 to 3.5 per cent, reflects the Government's cost of borrowing at the date the P3 contract was signed.

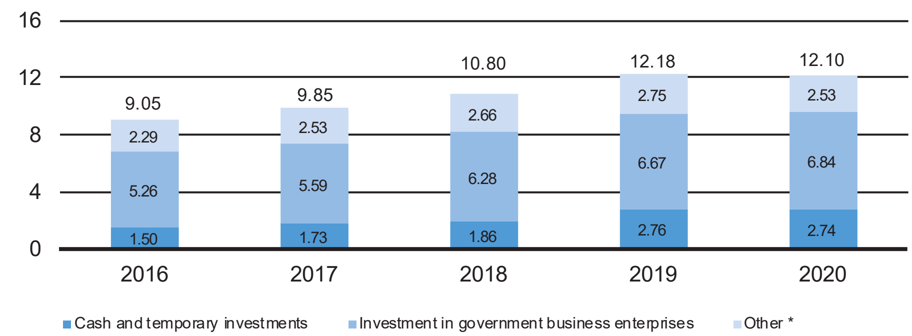
Details

Financial Assets

Financial assets represent the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.

Financial Assets

(billions of dollars)



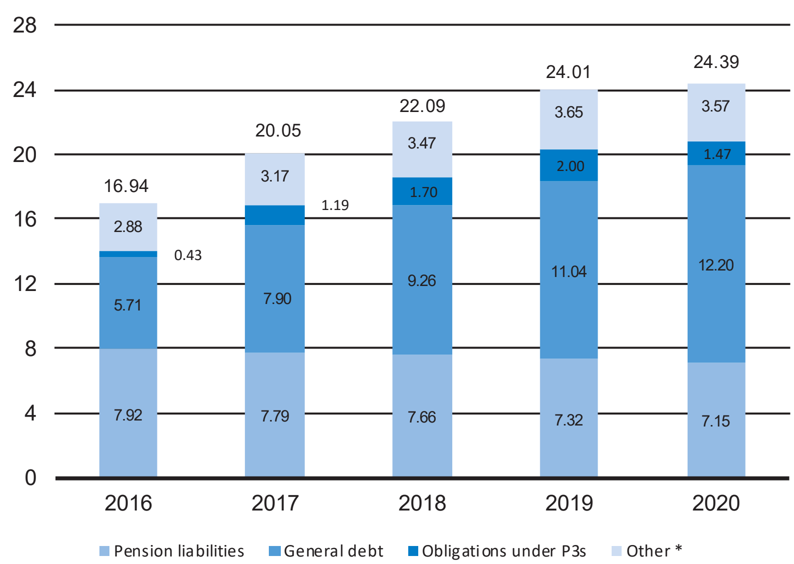
* At March 31, 2020, primarily accounts receivable ($1.67 billion), loans receivable ($469 million) and other investments ($388 million).

Liabilities

Liabilities represent the obligations the Government has to others arising from past transactions or events.

Liabilities

(billions of dollars)



From 2015-16 to 2019-20, liabilities increased by $7.45 billion. This was primarily a result of a $6.49 billion increase in general debt and a $1.04 billion increase for P3 obligations.

More detailed information on the significant liabilities can be found in the pages following.

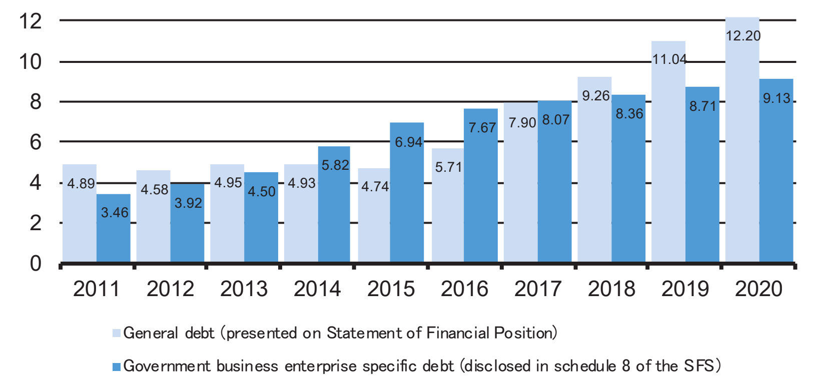
* At March 31, 2020, primarily accounts payable and accrued liabilities ($3.00 billion).

Details

Liabilities (*continued*)

Public Debt

(billions of dollars)



At March 31, 2020, the SFS report general debt of $12.20 billion as well as GBE specific debt of $9.13 billion. GBE specific debt has steadily increased over the past ten years. General debt, after several years of little change, has increased over the past five years. These increases have helped to finance the replacement of aging infrastructure as well as building new capacity to meet the demands of a growing population in the Province.

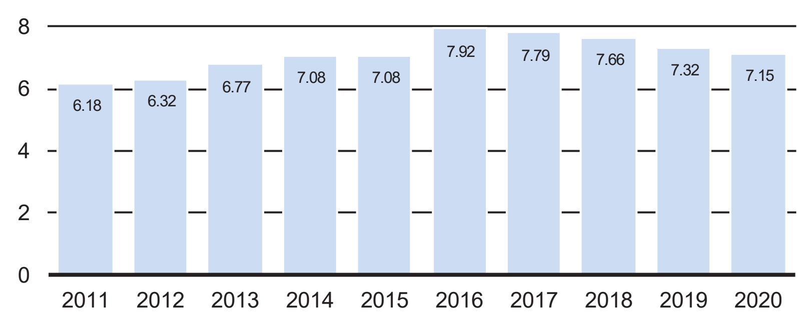
Public debt consists of gross debt net of sinking funds and includes:

- general debt, which is:
  - debt issued by the General Revenue Fund (GRF) and other government service organizations (GSOs); and
  - debt issued by the GRF and subsequently loaned to government business enterprises (GBEs); and
- GBE specific debt, which is debt issued by GBEs or debt issued by the GRF specifically on behalf of GBEs where the Government expects to realize the receivables from the GBEs and settle the external debt simultaneously.

The general debt on the Statement of Financial Position does not include GBE specific debt. GBE specific debt is included in the Investment in GBEs reported on the Statement of Financial Position and disclosed in schedule 8 of the SFS.

Pension Liabilities

(billions of dollars)



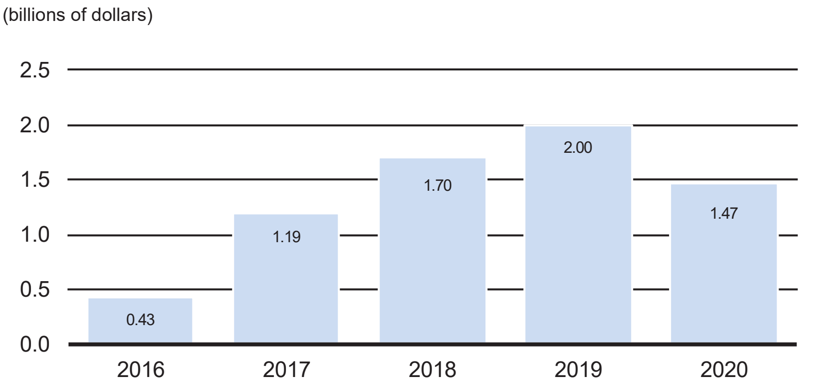
At March 31, 2020, the SFS report pension liabilities of $7.15 billion, an increase of $970 million since 2010-11. This increase represents the amount by which pension costs, including interest on the pension liabilities and actuarial adjustments, exceed payments to the pension plans and retirees. It is primarily a result of a decline in interest rates over the same period of time, where small fluctuations in interest rates have a significant impact on the pension liability. Since 2015-16, the pension liability has decreased as payments have begun to exceed the pension costs.

Pension liabilities represent the future obligations for the Government's defined benefit pension plans. The pension liability fluctuates with changes in actuarial assumptions such as interest rates and life expectancy. The Government limited its pension exposure over 40 years ago when it closed the main defined benefit plans to new members and introduced defined contribution plans. There is no liability exposure for the Government under defined contribution plans.

Details

Liabilities *(continued)*

Obligations under Long-Term Financing Arrangements



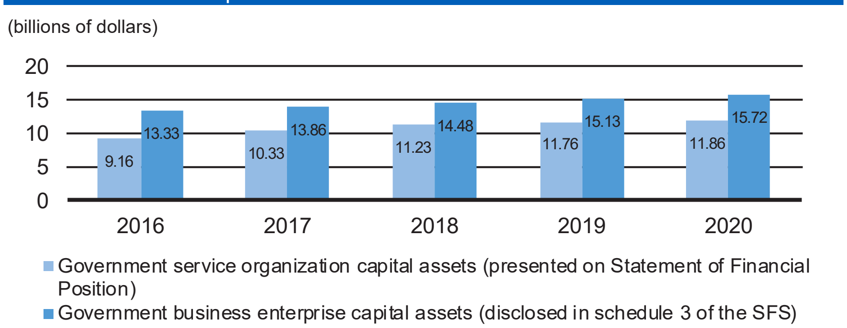
Obligations under long-term financing arrangements represent the Government's liability for public private partnerships (P3s). P3 obligations increase as the related assets are built (percentage of completion basis), and are reduced as payments are made to the P3 partner. Under the P3 contracts, the Government is obligated to pay the P3 partner over the duration of the contract, varying between 32 and 34 years in length.

Since 2014-15, the Government has entered into four P3 arrangements (as disclosed in schedule 10 of the SFS). At March 31, 2020, all four P3 projects are complete and operational.

Non-Financial Assets

Non-financial assets typically represent resources that the Government can use to provide services in the future. Non-financial assets primarily consist of capital assets but also include inventories held for consumption and prepaid expenses.

Net Book Value of Capital Assets



The Statement of Financial Position reports a net book value of capital assets recognized by government service organizations (GSOs) of $11.86 billion and does not include the capital assets recognized by government business enterprises (GBEs). Capital assets recognized by GBEs total $15.72 billion at March 31, 2020 and are included in the investment in GBEs reported on the Statement of Financial Position and disclosed in schedule 3 of the SFS. The net book value represents the original cost of capital assets net of accumulated amortization, disposals and write-downs in value.

The net book value of capital assets recognized by the Government has steadily increased over the last five years indicating that the Government has been acquiring new or replacing existing capital assets.

Acquisition of capital assets in 2019-20 was $2.26 billion, $1.42 billion acquired by GBEs and $843 million by GSOs. The investment in capital assets made by GSOs was primarily in the transportation, health and education sectors mainly for road, bridge and water management assets ($400 million) and land, buildings and improvements ($265 million) and included $75 million in assets acquired using public private partnerships. The GBEs continued to replace aging infrastructure and invest in capital projects to meet the demand for growth, and improve safety.

Details

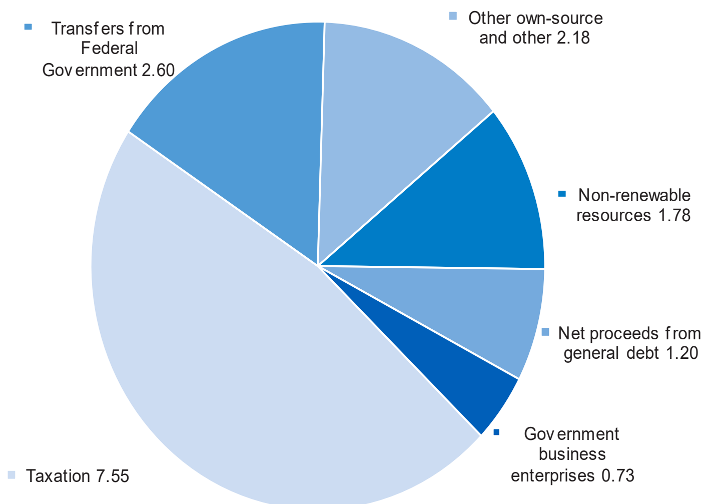
Cash Flow

The Statement of Cash Flow reports on the sources and uses of cash and temporary investments during the year. During the year, the Government's overall cash position decreased by $28 million, from $2.76 billion in 2018-19 to $2.74 billion in 2019-20.

The primary source of cash was $7.55 billion from taxation. Another significant source of cash was $2.60 billion from transfers from the Federal Government.

Sources of Cash

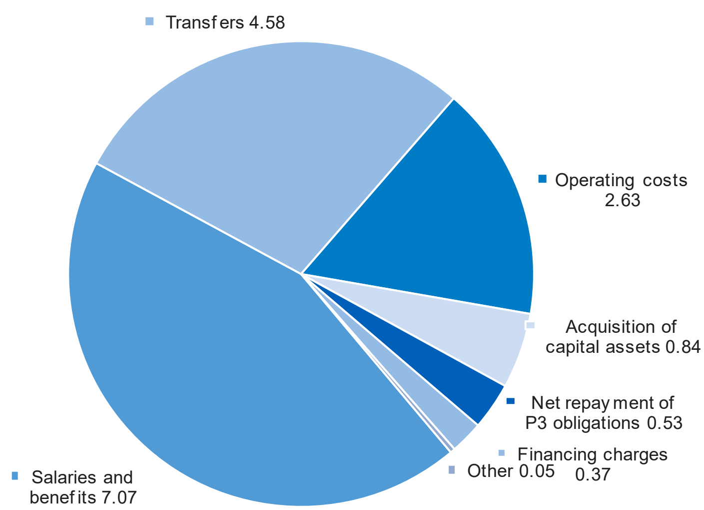
(billions of dollars)



The most significant use of cash was $7.07 billion for salaries and benefits largely for frontline service providers in the health and education sectors. Another significant use of cash was $4.58 billion for transfers.

Uses of Cash

(billions of dollars)



Risks and Uncertainties

The Government is subject to risks and uncertainties that arise from variables which the Government cannot directly control. These risks and uncertainties include:

- changes in economic factors such as economic growth or decline, commodity and non-renewable resource prices, inflation, interest rates, marketplace competition, population change, personal income and retail sales;
- exposure to interest rate risk, foreign exchange rate risk, price risk, credit risk and liquidity risk;
- changes in transfers from the federal government;
- utilization of government services, such as insurance, health care and social services;
- volatility in the pension liability due to external factors such as interest rates and actuarially determined assumptions of future events;
- other unforeseen developments including unusual weather patterns and natural and other disasters;
- criminal or malicious attacks, both cyber and physical in nature, potentially resulting in business interruption, privacy breach and loss of, or damage to, information, facilities and equipment;
- identification and quantification of environmental liabilities;
- factors that could hinder the safe delivery of products and services;
- outcomes from litigation, arbitration and negotiations with third parties;
- changes in reported results where actual experience may differ from initial estimates as discussed in note 2 of the SFS; and
- changes in accounting standards.

Recognizing that Saskatchewan is reliant on the revenue from non-renewable resources and that the Province's financial results can be influenced by other external factors, the Government takes a prudent approach in developing its budget assumptions for macroeconomic variables and non-renewable resources prices. The Government uses a number of forecasts from national forecasting agencies and banks, private industry and private sector analysts when developing the underlying assumptions for fiscal forecasts both on budget day and throughout the fiscal year.

The fiscal impact of changes in the underlying economic assumptions, including non-renewable resources prices, are estimated on a regular basis to quantify the risk associated with each forecast assumption. By understanding the size of the risk inherent in the fiscal projections, the Government is better able to make sound financial decisions.

Finally, for the Government to meet its challenges of growth and remain competitive where it operates in a competitive environment, attention is directed towards maintaining and investing in the Province's infrastructure to support the steady growth the Province has been experiencing and to allow for continued growth in the future.

The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. COVID-19 increases the risks and uncertainties to the Government's financial position and operations.

Risk management specific to investments and debt is discussed in note 3 of the SFS.

Summary Financial Statements

Responsibility for the Summary Financial Statements

The Government is responsible for the Summary Financial Statements. The Government maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

The Provincial Comptroller prepares these statements in accordance with generally accepted accounting principles for the public sector, using the Government's best estimates and judgement when appropriate. He uses information from the accounts of the General Revenue Fund, Crown corporations and other government organizations to prepare these statements.

The Provincial Auditor expresses an independent opinion on these statements. Her report, which appears on the following page, provides the scope of her audit and states her opinion.

Treasury Board approves the Summary Financial Statements. The statements are tabled in the Legislative Assembly as part of the Public Accounts and referred to the Standing Committee on Public Accounts for review.

On behalf of the Government of the Province of Saskatchewan.

Donna Harpauer

DONNA HARPAUER
Minister of Finance

RUPEN PANDYA
Deputy Minister of Finance

Terry Paton

TERRY PATON
Provincial Comptroller

Regina, Saskatchewan
June 2020

Independent Auditor's Report

To the Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the consolidated financial statements of the Government of Saskatchewan, which comprise the Statement of Financial Position as at March 31, 2020, and the Statements of Operations, Accumulated Deficit, Change in Net Debt, and Cash Flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Government of Saskatchewan as at March 31, 2020, and the consolidated results of its operations, the consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Government of Saskatchewan in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in *Public Accounts 2019-20 Volume 1 Summary Financial Statements*, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Government of Saskatchewan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Government of Saskatchewan either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Government of Saskatchewan's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Government of Saskatchewan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Government of Saskatchewan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Government of Saskatchewan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Government of Saskatchewan to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the consolidated financial statement audit. We are solely responsible for the auditor's opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Judy Ferguson

Regina, Saskatchewan
June 18, 2020

JUDY FERGUSON, FCPA, FCA
Provincial Auditor
Office of the Provincial Auditor

Statement of Financial Position

As at March 31, 2020
(thousands of dollars)

	2020	2019 (Restated)
Financial Assets		
Cash and temporary investments (*note 4*)	2,736,481	2,764,538
Accounts receivable (*schedule 1*)	1,665,500	1,842,030
Loans receivable (*schedule 2*)	469,177	442,811
Investment in government business enterprises (*schedule 3*)	6,840,053	6,667,595
Other investments (*schedule 4*)	388,231	458,178
Other financial assets	4,903	7,178
Total Financial Assets	12,104,345	12,182,330
Liabilities		
Accounts payable and accrued liabilities (*schedule 5*)	3,003,392	3,240,356
Unearned revenue (*schedule 6*)	179,700	148,844
Pension liabilities (*note 5*)(*schedule 7*)	7,152,321	7,322,547
General debt (*schedule 8*)	12,199,259	11,039,913
Obligations under long-term financing arrangements (*schedule 10*)	1,472,341	1,998,881
Other liabilities (*schedule 11*)	386,213	260,662
Total Liabilities	24,393,226	24,011,203
Net Debt	(12,288,881)	(11,828,873)
Non-Financial Assets		
Tangible capital assets (*schedule 12*)	11,858,796	11,756,122
Inventories held for consumption	182,904	175,250
Prepaid expenses	55,864	52,253
Total Non-Financial Assets	12,097,564	11,983,625
Accumulated (Deficit) Surplus	(191,317)	154,752

Contractual rights (*note 7*)
Contingent assets (*note 8*)
Contractual obligations (*note 9*)
Contingent liabilities (*note 10*)
Restatement (*note 11*)

The accompanying notes and schedules are an integral part of these financial statements.

Statement of Operations

For the Year Ended March 31, 2020

(thousands of dollars)

	2020		2019
	Budget	**Actual**	**Actual** (Restated)
Revenue			
Taxation	7,588,500	7,553,272	7,116,672
Non-renewable resources	1,826,800	1,750,298	1,735,123
Net income from government business enterprises (*schedule 3*)	1,080,500	855,369	1,011,229
Other own-source	2,062,100	2,138,392	2,128,280
Transfers from the federal government	2,467,200	2,589,806	2,510,278
Total Revenue (*schedule 13*)	15,025,100	14,887,137	14,501,582
Expense			
Health	5,888,200	6,051,358	5,847,595
Education	3,282,500	3,501,562	3,382,721
Social services and assistance	1,432,700	1,436,348	1,398,785
Protection of persons and property	701,100	787,087	780,172
Financing charges (*schedule 15*)	694,400	674,967	646,925
Community development	681,200	641,435	590,000
Agriculture	841,500	633,037	666,645
Transportation	532,100	545,491	538,483
Economic development	227,300	232,560	224,913
Environment and natural resources	263,900	196,699	196,139
Other	445,800	505,918	497,113
Total Expense (*schedule 14*)	14,990,700	15,206,462	14,769,491
(Deficit) Surplus	34,400	(319,325)	(267,909)

The accompanying notes and schedules are an integral part of these financial statements.

Statement of Accumulated Deficit

For the Year Ended March 31, 2020

(thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual (Restated)
Accumulated surplus, beginning of year	154,752	154,752	310,962
Adjustment to accumulated surplus, beginning of year *(note 12)*	-	(94,269)	88,390
(Deficit) Surplus	34,400	(319,325)	(267,909)
Other comprehensive income *(schedule 3)*	-	67,525	23,309
Accumulated (Deficit) Surplus, End of Year	189,152	(191,317)	154,752

Statement of Change in Net Debt

For the Year Ended March 31, 2020

(thousands of dollars)

	2020 Budget	2020 Actual	2019 Actual (Restated)
(Deficit) Surplus	34,400	(319,325)	(267,909)
Tangible Capital Assets *(schedule 12)*			
Acquisitions	(920,300)	(843,024)	(1,029,370)
Amortization	655,300	597,072	604,991
Disposals	-	11,828	12,235
Write-downs	-	11,501	9,437
Adjustments	-	119,949	7,077
Net acquisition of tangible capital assets	(265,000)	(102,674)	(395,630)
Net (acquisition) use of other non-financial assets	-	(11,265)	6,369
Increase in net debt from operations	(230,600)	(433,264)	(657,170)
Adjustment to accumulated surplus, beginning of year *(note 12)*	-	(94,269)	88,390
Other comprehensive income *(schedule 3)*	-	67,525	23,309
Increase in net debt	(230,600)	(460,008)	(545,471)
Net debt, beginning of year	(11,828,873)	(11,828,873)	(11,283,402)
Net Debt, End of Year	(12,059,473)	(12,288,881)	(11,828,873)

The accompanying notes and schedules are an integral part of these financial statements.

Statement of Cash Flow
For the Year Ended March 31, 2020
(thousands of dollars)

	2020	2019 (Restated)
Operating Activities		
Deficit	(319,325)	(267,909)
Non-cash items included in the deficit		
Net income from government business enterprises (*schedule 3*)	(855,369)	(1,011,229)
Other non-cash items included in the deficit (*schedule 17*)	635,002	594,238
Net change in non-cash operating activities (*schedule 17*)	(101,994)	(213,753)
Dividends received from government business enterprises (*schedule 3*)	698,185	708,977
Cash Provided by (Used) for Operating Activities	56,499	(189,676)
Capital Activities		
Acquisition of tangible capital assets (*schedule 12*)	(843,024)	(1,029,370)
Proceeds on disposal of tangible capital assets	17,904	29,931
Cash Used for Capital Activities	(825,120)	(999,439)
Investing Activities		
Net increase in loans receivable	(33,492)	(27,829)
Repayment of equity advances to government business enterprises	33,000	46,993
Acquisition of other investments	(50,390)	(128,411)
Disposition of other investments	117,039	110,208
Sinking fund contributions for general debt (*schedule 9*)	(145,873)	(110,829)
Sinking fund redemptions for general debt (*schedule 9*)	71,920	-
Cash Used for Investing Activities	(7,796)	(109,868)
Financing Activities		
Proceeds from general debt	1,431,267	2,511,831
Repayment of general debt	(159,942)	(605,452)
(Decrease) increase in obligations under long-term financing arrangements *(schedule 10)*	(526,540)	295,528
Increase (decrease) in other liabilities[1]	3,575	(36,392)
Cash Provided by Financing Activities	748,360	2,165,515
(Decrease) increase in cash and temporary investments	(28,057)	866,532
Cash and temporary investments, beginning of year	2,764,538	1,898,006
Cash and Temporary Investments, End of Year	2,736,481	2,764,538

[1] Excludes the changes in unamortized debt related costs which are classified as operating activities.

The accompanying notes and schedules are an integral part of these financial statements.

Notes to the Financial Statements

As at March 31, 2020

1. Significant Accounting Policies

Basis of accounting

These Summary financial statements are prepared in accordance with Canadian public sector accounting standards issued by the Public Sector Accounting Board.

Government reporting entity

The government reporting entity consists of public sector entities (entities), which include government service organizations, government business enterprises and partnerships.

Government service organizations and government business enterprises are entities controlled by the Government. Controlled entities that are self-sufficient and have the financial and operating authority to sell goods and services to individuals and other organizations outside the government reporting entity as their principal activity are classified as government business enterprises. All other controlled entities are government service organizations.

A partnership exists when the Government has entered into a contractual arrangement with one or more partners outside the government reporting entity where these partners share control of governance decisions and, on an equitable basis, share the significant risks and benefits associated with operating the partnership.

A listing of the entities included in the government reporting entity is provided in schedule 18. Unless otherwise noted, the financial activities of all subsidiaries of these entities have also been included.

Trust funds

Trust funds are administered but not controlled by the Government and are therefore excluded from the government reporting entity and disclosed in note 6.

Method of consolidation

Government service organizations are consolidated after adjustment to a basis consistent with the accounting policies described in this note. Inter-entity balances and transactions, other than provincial sales tax, are eliminated. Government service organizations in which a non-controlling interest exists are proportionately consolidated.

Government business enterprises are accounted for by the modified equity method. Using this method, the Government's investment in government business enterprises, which is initially recorded at cost, is adjusted annually to include the Government's proportionate share of net earnings or losses and certain other net equity changes of government business enterprises without adjustment to the accounting policies described in this note. With the exception of dividends and unrealized inter-entity gains and losses, inter-entity balances and transactions are not eliminated.

Partnerships are proportionately consolidated, at the ownership share disclosed in schedule 18, after adjustment to a basis consistent with the accounting policies described in this note. Inter-entity balances and transactions, other than provincial sales tax, are eliminated.

Financial results of entities with fiscal year ends other than March 31 are adjusted for transactions occurring on or before March 31 that have a significant impact on these financial statements.

Specific accounting policies

Financial assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations.

Temporary investments are recorded at the lower of cost or market.

Loans receivable are initially recorded at cost. Where there has been a loss in value that is other than a temporary decline, the loan is written down to recognize the loss.

Notes to the Financial Statements

1. Significant Accounting Policies *(continued)*

Other investments are recorded at cost, with the exception of pooled investment funds, which are recorded at market value. Investments recorded at cost are written down to market value when there is evidence of a permanent decline in value.

Other financial assets include inventories and other assets held for sale, which are valued at the lower of cost and net realizable value.

Liabilities

Liabilities are present obligations resulting from transactions and events occurring prior to year end, which will be satisfied in the future through the transfer or use of assets or another form of economic settlement. Contingencies, including loss provisions on guaranteed debt, are recorded when it is likely that a liability exists and the amount can be reasonably estimated.

Accounts payable and accrued liabilities primarily include obligations to pay for goods and services acquired prior to year end and to provide authorized transfers where eligibility criteria are met. Obligations for contaminated sites are recorded net of any expected recoveries, using the Government's best estimate of the amount required to remediate sites for which the Government is either directly responsible or has accepted responsibility. Accrued salaries and benefits include other employee future benefits which are recognized in the period the employees provide service.

Pension liabilities are calculated using the projected benefit method prorated on services, except as otherwise disclosed in note 5. Pension plan assets are valued at market-related values. Changes in pension liabilities resulting from estimation adjustments due to experience gains and losses and changes in actuarial assumptions are amortized on a straight-line basis over the expected average remaining service life of the related employee group. Amortization commences in the year following the determination of the adjustment. Gains or losses resulting from plan amendments are recognized in the period of the plan amendment.

General debt, recorded at par, is debt issued by government service organizations and includes issued amounts subsequently transferred to government business enterprises. Government business enterprise specific debt, which is disclosed separately on schedule 8, is debt issued by, or specifically on behalf of, government business enterprises.

Debenture issues that require contributions to a sinking fund are recorded at principal less sinking fund balances. Premiums and discounts on long-term investments within these sinking funds are amortized on a constant yield basis.

Obligations under long-term financing arrangements, representing the Government's liability for public private partnerships (P3s), are recorded on the percentage-of-completion basis over the period of construction of the P3 asset and reduced by progress and capital payments made to the P3 partner. The percentage of completion is applied to the nominal value of progress payments and the present value of future capital payments, discounted to the date the asset is available for use, using the Government's borrowing rate for general debt at the time the agreement is signed.

Other liabilities include unamortized debt related costs, which is comprised of premiums and discounts, debt issue costs and foreign exchange gains and losses. These costs are deferred and amortized on a straight-line basis over the remaining life of the debt issue.

Non-financial assets

Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities, but instead are normally employed to deliver government services, may be consumed and are not for sale in the normal course of operations. Non-financial assets are recorded at cost and expensed as they are consumed.

Notes to the Financial Statements

1. Significant Accounting Policies *(continued)*

Tangible capital assets include all amounts directly attributable to the acquisition, construction, development or betterment of the asset. During construction, these assets are recorded based on their percentage of completion and are disclosed as work in progress. Amortization is generally on a straight-line basis over the estimated useful life of the asset and commences when the asset is put in service.

Tangible capital assets procured through P3s are valued at the total of the nominal value of progress payments made during or on completion of construction and the present value of the future capital payments, discounted to the date the asset is available for use, using the Government's borrowing rate for general debt at the time the agreement is signed.

Revenue

Revenue is recorded on the accrual basis.

Taxation revenue is recognized when the tax has been authorized by the legislature and the taxable event occurs. The taxable event differs for each type of tax; for example, taxation revenue is recognized when taxpayers earn income, purchase products and services, or are in possession of real property. Tax concessions are recorded as a reduction in taxation revenue.

For individual and corporation income taxes, cash received from the federal government, adjusted for assessment data from the federal government when it provides a more reliable estimate, is used as the basis for recording the tax revenue.

Non-renewable resources revenue is recognized based on the production, sales or profits generated from the specific non-renewable resource. Oil and natural gas revenue is based primarily on price and production; resource surcharge revenue is based on sales volumes and prices; and potash revenue is based primarily on profits generated.

Transfers from the federal government are recognized as revenue in the period the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

Expense

Expenses, recorded on the accrual basis, represent the Government's cost to deliver public services. Transfers are recognized as expenses in the period the transfer is authorized and eligibility criteria are met.

New accounting standards

A number of new and amended Canadian public sector accounting standards have been issued but not applied in preparing these financial statements. These standards will come into effect as follows:

PS 3450 Financial Instruments (effective April 1, 2021), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of financial instruments, including derivatives.

PS 2601 Foreign Currency Translation (effective April 1, 2021), replaces PS 2600 with revised guidance on the recognition, presentation and disclosure of transactions that are denominated in a foreign currency.

PS 1201 Financial Statement Presentation (effective in the period PS 3450 and PS 2601 are adopted), replaces PS 1200 with revised general reporting principles and standards of presentation and disclosure in government financial statements.

PS 3041 Portfolio Investments (effective in the period PS 3450, PS 2601 and PS 1201 are adopted), replaces PS 3040 with revised guidance on accounting for, and presentation and disclosure of, portfolio investments.

PS 3280 Asset Retirement Obligations (effective April 1, 2021), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of a liability for retirement of a tangible capital asset.

PS 3400 Revenue (effective April 1, 2022), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

The Government plans to adopt these new and amended standards on the effective date and is currently analyzing the impact this will have on these financial statements.

Notes to the Financial Statements

2. Measurement Uncertainty

Uncertainty in the determination of the amount at which an item is recognized or disclosed in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Measurement uncertainty, disclosed in aggregate for government service organizations and government business enterprises, that may be material to these financial statements exists:

- in pension liabilities of $7,352.1 million (2019 - $7,535.6 million), insurance claim obligations of $3,943.7 million (2019 - $3,763.2 million), environmental obligations including the remediation of contaminated sites of $811.1 million (2019 - $733.0 million) and agricultural income stability program obligations of $118.6 million (2019 - $162.8 million) because actual experience may differ from actuarial or historical estimations;
- in individual and corporation income taxation revenue of $3,416.5 million (2019 - $2,925.5 million) because final tax assessments may differ from initial estimates;
- in oil and natural gas non-renewable resources revenue of $667.8 million (2019 - $681.6 million) because of price and production sensitivities in the royalty revenue structures;
- in potash non-renewable resources revenue of $554.4 million (2019 - $536.0 million) because actual operating profits may differ from initial estimates;
- in resource surcharge non-renewable resources revenue of $413.3 million (2019 - $393.8 million) because the final valuation of resource sales may differ from initial estimates;
- in the Canada Health Transfer and Canada Social Transfer revenue of $1,718.9 million (2019 - $1,645.0 million) because of changes in economic and demographic conditions in the Province and the country;
- in the value of certain investments of $1,146.8 million (2019 - $980.8 million) because these investments have no active market;
- in the Provincial Disaster Assistance Program receivable of $218.4 million (2019 - $187.1 million) because actual settlement payments may differ from initial estimates; and
- in unbilled utility revenue receivable of $126.3 million (2019 - $108.2 million) because actual usage may differ from estimated usage.

Measurement uncertainty is inherent but inestimable for many financial statement items. The impact of the COVID-19 pandemic adds an additional level of uncertainty for the measurement of certain assets and liabilities recorded in these financial statements, including the valuation of accounts receivable, loans receivable and certain investments. While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material change in the amounts recognized or disclosed.

Notes to the Financial Statements

3. Risk Management of Investments and Debt

The Government, collectively through its government service organizations and government business enterprises, invests and borrows in both domestic and foreign capital markets. In doing so, the Government is exposed to five types of risk: interest rate risk, foreign exchange rate risk, price risk, credit risk and liquidity risk.

Interest rate risk is the risk of an unfavorable fluctuation in the Government's investment income and financing charges due to changes in interest rates.

Foreign exchange rate risk is the risk that the Government's investment income and financing charges will fluctuate unfavorably with a change in the value of the Canadian dollar relative to other currencies.

Price risk is the risk that the Government's return on its investment portfolio will fluctuate unfavourably due to a decline in equity prices in Canadian and global markets.

Credit risk is the risk that the Government may incur a loss from the failure of another party to meet its obligations.

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term.

Investment Management

Interest rate risk, foreign exchange rate risk and price risk all contribute to market risk, or the risk that the fair value of the Government's investments will decline because of changes in market prices. These risks are managed by establishing policies regarding quality and quantity for the asset mix of the Government's investment portfolios. The asset mix helps reduce the impact of market fluctuations by requiring investment in different asset classes and in both domestic and foreign markets.

Interest rate risk exists for the Government in its exposure to changes in interest rates in its fixed income investments such as bonds and debentures. It is estimated that a one per cent increase in interest rates would increase the Government's deficit by $130.5 million (2019 - $128.1 million).

Foreign exchange rate risk is managed by defining maximum limits to exchange rate sensitive assets, such as foreign equities, in investment portfolios. It is estimated that a ten per cent appreciation in the Canadian dollar relative to other currencies would result in a $204.8 million (2019 - $179.0 million - restated) increase in the Government's deficit.

Price risk, resulting from exposure to changes in equity prices, is managed by having geographically and industry diverse investment portfolios. In addition, the Government limits its investment concentration in any one investee or related group of investees to ten per cent of the investee's share capital and ten per cent of the Government's investment portfolio.

Credit risk is managed through an investment policy that limits investments to high credit quality (minimum rating is BBB for bonds and debentures and R-1 for short-term investments) as well as limits the maximum exposure with respect to any one issuer.

Debt Management

The Government manages its risks by maintaining a preference for fixed rate Canadian dollar denominated debt. Where market conditions dictate that other forms of debt are more attractive, the Government seeks opportunities to use derivative financial instruments to reduce these risks.

Interest rate risk is managed by issuing debt securities at predominantly fixed rates of interest rather than at floating rates of interest.

Floating-rate debt is defined as the sum of floating-rate debentures, short-term promissory notes and fixed-rate debt maturing within one year. The Government seeks opportunities to effectively convert floating-rate debt into fixed-rate debt through the use of interest rate swaps. The Government has interest rate swaps on a notional value of debt of $52.3 million (2019 - $84.6 million). At March 31, 2020, 83.0 per cent (2019 - 85.8 per cent) of the Government's gross debt effectively carried a rate of interest that was fixed for greater than a one-year period.

Public debt includes floating-rate debt of $4,038.0 million (2019 - $3,120.8 million - restated). A one percentage point increase in interest rates would have increased the deficit by $40.4 million (2019 - $31.2 million).

Notes to the Financial Statements

3. Risk Management of Investments and Debt *(continued)*

Foreign exchange rate risk is managed by maintaining a preference for issuing debt that is denominated in Canadian dollars. Where debt has been issued in foreign currencies, the Government seeks opportunities to effectively convert it into Canadian dollar debt through the use of cross-currency swaps. At March 31, 2020, 100.0 per cent (2019 - 100.0 per cent) of the Government's gross debt is effectively denominated in Canadian dollars.

The following foreign denominated items have been hedged to Canadian dollars using cross-currency swaps:

- debentures of 800.0 million U.S. dollars (2019 - 800.0 million U.S. dollars) fully hedged to $1,017.8 million Canadian (2019 - $1,017.8 million Canadian); and
- interest payments on debentures of 225.0 million U.S. dollars (2019 - 225.0 million U.S. dollars) hedged to Canadian dollars at an exchange rate of 1.2172 (2019 - 1.2172).

In total, the Government has cross-currency swaps on a notional value of debt of $1,291.7 million (2019 - $1,291.7 million). The effectiveness of these hedges is assessed on an ongoing basis by monitoring the credit ratings of the counterparties to the hedges.

Credit risk for derivative financial instrument contracts is managed by dealing only with counterparties that have good credit ratings and by establishing limits on individual counterparty exposures and monitoring those exposures on a regular basis. At March 31, 2020, 95.2 per cent (2019 - 95.2 per cent) of the notional value of the Government's derivative financial instrument contracts is held by counterparties with a Standard and Poor's credit rating of A or better. The remaining counterparties held a Standard and Poor's credit rating of BBB+ or better.

Liquidity risk is managed by distributing debt maturities over many years, maintaining sinking funds on long-term debt issues and maintaining adequate cash reserves and short-term borrowing programs as contingent sources of liquidity.

4. Cash and Temporary Investments

Temporary investments are $1,701.9 million (2019 - $1,631.7 million - restated) and mature in less than one year. Due to the short-term nature of these investments, cost approximates market value. Cash and temporary investments includes $26.8 million (2019 - $20.3 million - restated) restricted as a result of agreements with external parties.

Notes to the Financial Statements

5. Retirement Benefits

The Government sponsors several defined benefit pension plans and a defined contribution pension plan. The Government also participates in a joint defined benefit pension plan.

Defined benefit plans provide benefits based on length of service and pensionable earnings. A typical defined benefit plan provides pensions equal to 2.0 per cent of a member's average five years highest salary, multiplied by the years of service to a maximum of 35 years. Employees contribute a percentage of salary, which may vary based on age, to their plan. Pensions and contribution rates are integrated with the Canada Pension Plan.

Actuarial valuations are performed at least triennially. When a valuation is not done in the current fiscal year an actuary extrapolates the most recent valuation. Valuations and extrapolations are based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. These assumptions reflect estimates of expected long-term rates and short-term forecasts. Estimates vary based on the individual plan.

The accrued benefit obligation is determined using the projected benefit method prorated on services. Pension plan assets are valued at market-related values based on the actual market values averaged over a four-year period.

Joint defined benefit plans are governed by formal agreements between the joint sponsors (i.e., participating employers and plan members) establishing that the joint sponsors have shared control over the plan. Funding contributions and significant risks of the plan are shared on an equitable basis between the joint sponsors. Accordingly, the Government accounts for only its portion of the plan. Plan assets and surpluses are restricted for member benefits or certain other purposes set out in the agreements. Plan benefits are determined on the same basis as defined benefit plans.

The accrued benefit obligation is determined using the projected accrued benefit actuarial cost method. Pension plan assets are valued at market-related values by averaging the difference between the net investment income on a market-value basis and the expected investment income, based on expected rate of return on plan assets, over a five-year period.

Defined contribution plans provide pensions based on accumulated contributions and investment earnings. Employees contribute a percentage of salary. The Government provides contributions at specified rates for employee current service.

Pension plan assets of government sponsored defined benefit and defined contribution plans are invested in fixed income securities, equities, real estate, pooled investment funds and short-term monetary items. The investment in Government of Saskatchewan securities is insignificant for all plans.

Government service organizations

Defined benefit plans and joint defined benefit plan

The two main defined benefit plans are the Teachers' Superannuation Plan (TSP) and the Public Service Superannuation Plan (PSSP). Other plans include Judges of the Provincial Court Superannuation Plan (Judges), Saskatchewan Transportation Company Employees Superannuation Plan, Anti-TB League Employees Superannuation Plan, and the Pension Plan for the Non-Teaching Employees of the Saskatoon School Division No.13 (PPNTE). Defined benefits are also payable to members of the former Members of the Legislative Assembly Superannuation Fund (MLA).

The Government is required to match employee current service contributions for all plans except the PSSP, Judges and PPNTE. Funding contributions are required for the PPNTE. Separate pension plan assets are maintained for TSP, Judges and PPNTE. For the other plans, employee contributions are received and pension obligations are paid directly by the Government.

The Government also participates in the Saskatchewan Healthcare Employees' Pension Plan (SHEPP), a joint defined benefit plan for employees of the Saskatchewan Health Authority and certain other Government health entities. The Government participating employers contribute to the plan at the ratio of 1.12 to 1 of employee contributions and any actuarially determined deficiency is the responsibility of participating employers and employees at the same ratio. The Government portion of employer contributions represents approximately 98 per cent of total participating employer contributions to the plan.

Notes to the Financial Statements

5. Retirement Benefits *(continued)*

Information on the defined benefit plans and the joint defined benefit plan of government service organizations is as follows:

	TSP	PSSP	Others	SHEPP	2020 Total	2019 Total
Plan status	closed	closed	closed [1]	open	n/a	n/a
Employee contribution rate *(percentage of salary)*	7.85	7.00-9.00 [2]	5.00-9.00 [2]	8.10-10.70	n/a	n/a
Number of active employees	108	23	1,010	37,946	39,087	38,589
Average age of active employees *(years)*	64.6	68.4	48.4	43.9	44.1	44.3
Number of former employees entitled to deferred pension benefits	4,811	1	172	2,119	7,103	7,201
Number of superannuates and surviving spouses	10,969	4,709	594	19,061	35,333	34,883
Actuarial valuation date	June 30/18	Dec. 31/17	Various	Dec. 31/18	n/a	n/a
Long-term assumptions used						
Rate of compensation increase *(percentage)*	1.00	n/a	3.00-3.25	3.00	n/a	n/a
Expected rate of return on plan assets *(percentage)*	4.00	n/a	4.90-6.35	6.30	n/a	n/a
Discount rate *(percentage)*	3.20	3.10	3.10-6.35	6.30	n/a	n/a
Inflation rate *(percentage)*	2.25	2.00	2.00-2.25	2.00	n/a	n/a
Expected average remaining service life *(years)*	1.10	-	9.00-12.00	12.80	n/a	n/a
Post-retirement index *(percentage of annual increase in Consumer Price Index)*	80	70	Various	Ad hoc	n/a	n/a

[1] Judges and PPNTE are open to new membership; all other plans are closed.
[2] Contribution rate varies based on age upon joining the plan.

Defined contribution plans

The Government sponsors the Public Employees Pension Plan (PEPP). The Government provides contributions to the plan at specified rates for employee current service. The Government also contributes to the Saskatchewan Teachers' Retirement Plan (STRP) which is sponsored by the Saskatchewan Teachers' Federation, as well as the Municipal Employees' Pension Plan (MEPP) and the Regina Civic Employees' Superannuation and Benefit Plan (RCESP). The Government has fully funded its share of contributions to the defined contribution plans.

Information on the defined contribution plans of government service organizations is as follows:

	PEPP *Government Sponsored*	STRP [1]	MEPP [2]	RCESP [3]	2020 Total	2019 Total
Plan status	open	open	open	open	n/a	n/a
Employee contribution rate *(percentage of salary)*	5.00-9.00 [4]	9.50-11.70	9.00	7.80-13.10	n/a	n/a
Government contribution rate *(percentage of salary)*	5.00-11.50 [4]	7.25-9.25	9.00	8.80-14.60	n/a	n/a
Government service organization participation						
Number of active employees	16,683	15,532	8,357	2,205	42,777	43,633
Employee contributions *(thousands of dollars)*	85,045	112,942	25,740	10,159	233,886	246,689
Government contributions *(thousands of dollars)*	93,563	87,437	25,740	11,313	218,053	211,669

[1] Teachers employed by Boards of Education after July 1, 1980 participate in the STRP, a contributory defined benefit pension plan. The Government contributes an amount which is set through provincial negotiations.
[2] Certain employees of Boards of Education and Regional Colleges participate in the MEPP, a multi-employer defined benefit plan. All costs, including costs of any actuarially determined deficiency, are equally shared by the employers and employees. At December 31, 2019, audited financial statements for the MEPP reported an accrued benefit obligation of $2,144.6 million (2018 - $1,994.3 million) and plan assets at market value of $2,803.0 million (2018 - $2,457.5 million). The fair value of plan assets declined to $2,639.0 million at March 31, 2020 the result of significant market volatility in the first quarter of 2020, due in large part to COVID-19.
[3] Certain employees of the Saskatchewan Health Authority and a Board of Education participate in the RCESP, a multi-employer defined benefit plan. Amended provisions effective January 1, 2016 require the actuarially determined deficiency as at December 31, 2014 to be amortized over a period of no more than 20 years. The pre-amendment deficiency will be funded through participating employer and employee contributions at a rate of 60 per cent and 40 per cent respectively and any future deficits funded on a 50:50 basis. At December 31, 2019, audited financial statements for the RCESP reported an accrued benefit obligation of $1,506.3 million (2018 - $1,503.7 million) and plan assets at market value of $1,614.5 million (2018 - $1,464.7 million). The fair value of plan assets declined to $1,520.9 million at March 31, 2020 the result of significant market volatility in the first quarter of 2020, due in large part to COVID-19.
[4] Contribution rate varies based on employee group.

Notes to the Financial Statements

5. Retirement Benefits *(continued)*

Pension expense

The total pension expense of government service organizations includes the following:

(thousands of dollars)	2020	2019
		(Restated)
Defined benefit plans		
Current period benefit cost	17,846	17,934
Amortization of estimation adjustments	69,203	(129,692)
Employee contributions	(4,088)	(4,104)
Change in valuation allowance	1,299	2,387
Pension interest cost (*schedule 15*)	173,880	196,065
Pension expense, defined benefit plans	258,140	82,590
Other plans		
Pension expense, joint defined benefit plan	176,915	173,613
Pension expense, defined contribution plans	218,053	211,669
Total Pension Expense (*schedule 16*)	653,108	467,872

Government business enterprises

Defined benefit plans

There are additional pension plans which are accounted for in the investment in government business enterprises. The two main defined benefit plans of government business enterprises are the Power Corporation Superannuation Plan (SaskPower) and the Saskatchewan Telecommunications Pension Plan (SaskTel). Other plans include the Saskatchewan Government Insurance Superannuation Plan, the Liquor Board Superannuation Plan, and the Pension Plan for the Employees of the Saskatchewan Workers' Compensation Board.

The Government contributes the amount necessary to fund the payment of pension benefits.

Information on the defined benefit plans of government business enterprises is as follows:

				2020	2019
	SaskPower	SaskTel	Others	Total	Total
Plan status	closed	closed	closed	n/a	n/a
Number of active employees	13	18	2	33	46
Number of former employees, superannuates and surviving spouses	1,641	1,867	328	3,836	3,931
Employee contributions *(thousands of dollars)*	-	-	1	1	1
Government contributions *(thousands of dollars)*	-	-	3,166	3,166	3,303
Benefits paid *(thousands of dollars)*	61,526	65,944	9,738	137,208	137,019
Actuarial valuation date	Sept. 30/17	Mar. 31/17	Various	n/a	n/a
Long-term assumptions used					
Discount rate *(percentage)*	3.70	3.70	3.06-3.70	n/a	n/a
Inflation rate *(percentage)*	2.00	2.25	2.00	n/a	n/a
Post-retirement index *(percentage of annual increase in Consumer Price Index)*	70	100	Various	n/a	n/a

Notes to the Financial Statements

5. Retirement Benefits *(continued)*

Based on the latest actuarial valuation with extrapolations to the government business enterprises' year ends, the present value of the accrued benefit obligation and the fair value of plan assets are shown in the table below:

(thousands of dollars)				2020	2019
	SaskPower	SaskTel	Others	Total	Total
Accrued benefit obligation	809,361	944,033	111,350	1,864,744	2,038,330
Fair value of plan assets	645,406	967,281	77,432	1,690,119	1,831,166
Plan Deficit (Surplus)	163,955	(23,248)	33,918	174,625	207,164
Valuation allowance	-	23,248	1,898	25,146	5,853
Pension Liabilities	163,955	-	35,816	199,771	213,017

Defined contribution plan

Information on government business enterprises' participation in PEPP is as follows:

	2020	2019
Plan status	open	open
Employee contribution rate *(percentage of salary)* [1]	4.45-7.50	4.45-7.50
Government contribution rate *(percentage of salary)* [1]	5.50-11.00	5.50-11.00
Government business enterprise participation		
Number of active employees	11,753	11,887
Government contributions *(thousands of dollars)*	68,445	65,725

[1] Contribution rate varies based on employee group.

Pension expense

Pension expense for government business enterprises is included in net income from government business enterprises. The total pension expense of government business enterprises includes the following:

(thousands of dollars)	2020	2019
Defined benefit plans	7,210	7,205
Defined contribution plan	68,445	65,725
Total Pension Expense	75,655	72,930
Net Pension (Gain) Loss Included in Other Comprehensive Income	(17,289)	6,269

6. Trust Funds

Trust fund assets held and administered by the Government are as follows:

(thousands of dollars)	2020	2019
Pension plans and annuity funds	15,373,916	15,519,112
Employee benefit plans	641,587	590,406
Public Guardian and Trustee of Saskatchewan	247,243	254,259
Other	103,325	123,353
Total Trust Fund Assets[1]	16,366,071	16,487,130

[1] Amounts are based on the latest financial statements of the funds closest to March 31, 2020, where available.

Notes to the Financial Statements

7. Contractual Rights

The Government has the following contractual rights:

(thousands of dollars)	2021	2022	2023	2024	2025	Thereafter	2020 Total	2019 Total (Restated)
Governmental Service Organizations								
Federal transfer agreements								
Capital	171,791	185,223	216,639	191,014	171,215	279,910	1,215,792	1,044,301
Operating[1]	275,995	276,330	219,745	73,138	69,603	154,203	1,069,014	1,168,998
Lease and rental agreements	69,480	21,590	18,072	14,829	12,699	93,425	230,095	210,295
Service agreements	6,833	3,553	3,178	2,017	-	-	15,581	4,645
Other	7,432	4,701	767	-	-	-	12,900	14,355
	531,531	491,397	458,401	280,998	253,517	527,538	2,543,382	2,442,594
Government Business Enterprises								
Gaming agreement[2]	20,370	58,150	72,690	79,960	83,960	-	315,130	413,300
Service agreements	134,469	50,297	2,989	67	-	-	187,822	200,746
Federal transfer agreements - capital	5,031	5,862	3,855	-	-	-	14,748	-
	159,870	114,309	79,534	80,027	83,960	-	517,700	614,046
Total Contractual Rights[3]	691,401	605,706	537,935	361,025	337,477	527,538	3,061,082	3,056,640

1 The contractual rights for federal operating transfer agreements with no expiration date include estimated revenue for up to 12 contract years. Contractual rights beyond this could be significant.

2 The gaming agreement has an expiration date that extends to 2037; however, amounts for contractual rights beyond 2025 are not included. The contractual rights beyond 2025 for this agreement could be significant.

3 The Government has contractual rights that could be significant, but are not included in the table above, as the expected revenues cannot be reasonably estimated. These rights include: the Canadian Agricultural Partnership, for which funding is tied to crop yields each year; and private reinsurance agreements, for which insurance recovery revenue arises from catastrophic events (e.g., severe weather).

8. Contingent Assets

The Government has instituted a claim against tobacco manufacturers for the recovery of health care benefits paid as a result of tobacco consumption. The amount of the potential recovery cannot be estimated.

Notes to the Financial Statements

9. Contractual Obligations

The Government has the following contractual obligations:

(*thousands of dollars*)	2021	2022	2023	2024	2025	Thereafter	2020 Total	2019 Total (Restated)
Governmental Service Organizations								
Policing transfer agreement	204,613	195,076	199,956	204,957	210,084	1,619,622	2,634,308	2,804,136
Operation, maintenance and life cycle rehabilitation payments under P3s	27,555	29,146	24,733	25,137	25,733	1,058,172	1,190,476	1,208,266
Construction and acquisition of tangible capital assets	422,396	9,891	1,635	1,247	-	-	435,169	484,783
Service agreements								
Computer	98,962	39,242	24,489	16,132	11,668	10,727	201,220	244,544
Transportation	38,760	32,754	27,886	11,037	3,794	1,162	115,393	126,977
Emergency communications	11,438	11,672	11,901	11,494	9,802	30,478	86,785	76,804
Other	19,446	15,100	15,004	1,616	1,636	11,542	64,344	41,875
Operating lease agreements	79,546	68,693	53,779	43,638	30,946	61,442	338,044	293,361
Beverage container collection and recycling programs	31,817	35,073	32,181	32,182	-	-	131,253	27,013
Research and development	25,448	23,462	16,047	3,899	98	-	68,954	77,010
Housing subsidies, transfers and loans	17,942	8,280	7,696	7,269	6,483	-	47,670	53,061
Economic growth projects	3,262	1,515	1,515	1,515	1,515	8,030	17,352	24,348
Other transfers								
Operating	548,538	290,777	211,055	109,976	108,831	-	1,269,177	1,297,929
Capital	113,883	50,388	25,880	4,613	-	-	194,764	133,751
Other	11,740	5,244	4,734	4,484	-	5,109	31,311	34,621
	1,655,346	816,313	658,491	479,196	410,590	2,806,284	6,826,220	6,928,479
Government Business Enterprises								
Forward purchase contracts								
Power	182,602	244,887	276,623	288,111	302,953	4,472,084	5,767,260	5,392,072
Coal	177,118	226,743	224,549	231,464	188,929	238,404	1,287,207	1,528,083
Natural gas	212,098	185,715	147,387	130,764	132,194	368,610	1,176,768	949,166
Other	5,057	2,088	-	-	-	-	7,145	12,961
Construction, acquisition and maintenance of capital assets	1,486,764	345,414	188,146	162,282	130,437	479,685	2,792,728	1,842,087
Service agreements	95,693	4,437	1,946	1,788	1,127	977	105,968	82,544
Operating lease agreements[1]	-	-	-	-	-	-	-	82,715
Other	6,315	3,015	3,015	3,015	3,015	8,017	26,392	29,407
	2,165,647	1,012,299	841,666	817,424	758,655	5,567,777	11,163,468	9,919,035
Total Contractual Obligations	3,820,993	1,828,612	1,500,157	1,296,620	1,169,245	8,374,061	17,989,688	16,847,514

[1] With the adoption of International Financial Reporting Standards (IFRS) 16 by government business enterprises on April 1, 2019, operating lease agreements, previously reported as contractual obligations, are now recorded as a liability (*schedule 3*).

10. Contingent Liabilities

Lawsuits

The Government is involved in various legal actions, the outcome of which is not determinable. Up to $78.5 million (2019 - $71.9 million) may be paid depending on the outcome of lawsuits in progress which include aboriginal land claims, claims for damages to persons and property and disputes over taxes and funding.

Other

The Government has up to $10.0 million (2019 - $27.7 million - restated) in other contingent liabilities dependent on guaranteed and secured debt repayments and environmental remediation.

Notes to the Financial Statements

11. Restatement for Health Sector Affiliates

Health Sector Affiliates (affiliates) meet the criteria for inclusion in the government reporting entity and accordingly, are included for the first time in 2019-20. The affiliates, as listed in schedule 18, have been consolidated in these financial statements effective April 1, 2018. This resulted in a $135.4 million increase in the April 1, 2018 accumulated surplus. The current year impact of including affiliates is a $0.2 million increase in the deficit.

Prior year figures have been restated as follows:

(thousands of dollars)	**2019 as previously reported[1]**	**Affiliates**	**2019 restated**
Financial assets			
Cash and temporary investments	2,736,630	27,908	2,764,538
Other Investments	439,862	18,316	458,178
Other	8,959,614	-	8,959,614
Liabilities			
Accounts payable and accrued liabilites[1]	3,211,037	29,319	3,240,356
General debt	11,028,650	11,263	11,039,913
Other[1]	9,730,324	610	9,730,934
Net debt	(11,833,905)	5,032	(11,828,873)
Non-financial assets			
Tangible capital assets	11,627,906	128,216	11,756,122
Other	225,362	2,141	227,503
Accumulated surplus	19,363	135,389	154,752
Revenue	14,449,179	52,403	14,501,582
Expense	14,717,088	52,403	14,769,491
Deficit	(267,909)	-	(267,909)
Accumulated surplus, beginning of year	175,573	135,389	310,962
Deficit	(267,909)	-	(267,909)
Adjustments and other comprehensive income	111,699	-	111,699
Accumulated Surplus, End of Year	19,363	135,389	154,752

[1] 2019 as previously reported includes a $406.1 million reclassification from other liabilities to accounts payable and accrued liabilities to conform with the current year's presentation.

12. Adjustment to Accumulated Surplus

During 2019-20, there was a decrease in the accumulated surplus, beginning of year of $94.3 million. An adjustment was made to remove the accumulated provincial sales tax paid on the acquisition of certain tangible capital assets. This resulted in a $75.0 million decrease in both the accumulated surplus, beginning of year and tangible capital assets. In addition, a government business enterprise changed its policy for recognition of certain losses on the disposal of capital assets. As a result, a $19.3 million reduction was made to both the accumulated surplus, beginning of year and investment in government business enterprises.

During 2018-19, there was a net increase to the accumulated surplus, beginning of year of $88.4 million. Government business enterprises, as required by International Financial Reporting Standards (IFRS), adopted IFRS 15, Revenue from Contracts with Customers, resulting in a $111.2 million increase to the accumulated surplus, beginning of year and a corresponding increase to the investment in government business enterprises. In addition, it was determined that criteria were met for the recognition of an obligation for Treaty Land Entitlement claims. As a result, a $22.8 million reduction to the opening accumulated surplus was made.

Notes to the Financial Statements

13. Restructuring Transactions

During 2018-19, the Government received water management infrastructure (dams) from the federal government. The dams were recognized as tangible capital assets in the amount of $0.4 million, which was the federal government's carrying value at the time of the transfer. Additionally, $34.6 million was provided as consideration related to the ongoing maintenance and operation of the dams. Both amounts were recorded as revenue during 2018-19.

14. Impact of COVID-19 Pandemic

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic slowdown. The Government continues to assess and monitor the impact of COVID-19 on its financial condition, including the likelihood of decreased revenues and increased expenses as a direct result of this crisis. The magnitude and duration of COVID-19 is uncertain and, accordingly, it is difficult to reliably measure the potential future impact on the Government's financial position and operations.

15. Comparative Figures

Certain 2019 comparative figures have been reclassified to conform with the current year's presentation.

Accounts Receivable

Schedule 1

As at March 31, 2020

(thousands of dollars)

	2020	2019 (Restated)
Taxation	548,501	542,821
Non-renewable resources	135,103	168,699
Other own-source	744,203	700,983
Transfers from the federal government	396,573	577,448
	1,824,380	1,989,951
Provision for loss	(158,880)	(147,921)
Total Accounts Receivable	1,665,500	1,842,030

Loans Receivable

Schedule 2

As at March 31, 2020

(thousands of dollars)

	2020	2019 (Restated)
Loans to government business enterprises[1]	249,342	247,968
Student loans[2]	277,820	230,134
Affordable housing loans[3]	15,937	29,810
Other[4]	3,683	5,378
	546,782	513,290
Provision for loss	(77,605)	(70,479)
Total Loans Receivable	469,177	442,811

1 The Government has $275.0 million (2019 - $275.0 million) in loans receivable from government business enterprises repayable over 20 to 25 years and bearing interest between 3.9 and 4.8 per cent (2019 - 3.9 and 4.8 per cent). The loans are recorded net of $30.7 million (2019 - $27.0 million) for the government business enterprises' equity in sinking funds administered by the Government. The Government has an additional loan receivable of $5.0 million (2019 - nil) from a government business enterprise that is due within one year.

2 The Government holds $277.8 million (2019 - $230.1 million) in loans under the student loan program which operates under the authority of *The Student Assistance and Student Aid Fund Act, 1985*. Loans are interest free until the discontinuance of full-time studies or graduation. Interest rates are prescribed by the Government and range between 2.4 and 6.5 per cent (2019 - 3.9 and 6.5 per cent). Student bursaries, study grants and other varieties of loan forgiveness are available to students who meet specific criteria.

The administration and delivery of the federal and provincial student loans programs is integrated. The Government approves applications for both provincial and federal loans. External agencies are contracted to disburse, administer and collect loans, and the federal government is responsible for collection of loans in default.

A loss provision of $63.6 million (2019 - $57.4 million) has been recorded on these loans.

3 The Government holds $15.9 million (2019 - $29.8 million) in affordable housing loans. The loans are primarily under the Headstart on a Home loan program and are repayable at terms not exceeding 24 months and bearing interest at 4.0 per cent (2019 - 4.0 per cent). A loss provision of $12.6 million (2019 - $11.7 million) has been recorded on these loans

4 The Government's loan portfolio also consists of $3.7 million (2019 - $5.4 million - restated) in numerous other loans at various interest rates and maturities. Security on the loans varies and may include promissory notes, mortgages on real property, security agreements or guarantees. A loss provision of $1.4 million (2019 - $1.4 million) has been recorded on these loans.

Investment in Government Business Enterprises

As at March 31, 2020

(thousands of dollars)

	SaskEnergy	SaskPower	SaskTel	SaskWater	SGI
Assets					
Cash and cash equivalents	1,412	236,091	17,221	1,912	85,697
Accounts receivable	154,111	457,277	142,860	9,023	293,433
Inventories	25,458	227,262	15,371	641	-
Prepaid expenses	-	30,738	121,279	598	157,274
Investments[3]	-	-	8,593	-	1,082,517
Capital assets	2,816,612	10,327,456	1,948,006	348,142	27,076
Intangible assets	73,430	69,117	271,486	-	1,240
Sinking funds	136,042	847,568	198,490	11,410	-
Other assets	14,605	7,497	83,945	281	17,408
Total Assets[4]	3,221,670	12,203,006	2,807,251	372,007	1,664,645
Liabilities					
Accounts payable and accrued liabilities	121,309	558,636	150,302	7,714	100,646
Dividends payable to government entities	1,515	5,140	25,448	1,549	13,000
Gross debt	1,637,605	7,254,519	1,298,380	87,387	-
Unearned revenue	31,150	22,656	87,632	194,668	484,777
Provision for insurance claims	-	-	-	-	620,719
Other liabilities[7]	330,362	1,614,482	63,501	4,595	25,318
Total Liabilities[4]	2,121,941	9,455,433	1,625,263	295,913	1,244,460
Net Assets (Debt)	1,099,729	2,747,573	1,181,988	76,094	420,185
Revenue					
Operating	815,974	2,786,749	1,287,028	59,457	970,611
Investment income	-	(1,105)	9,443	115	22,686
Total Revenue[4]	815,974	2,785,644	1,296,471	59,572	993,297
Expense					
Operating	721,958	2,154,325	1,132,116	49,495	392,656
Insurance claims	-	-	-	-	550,050
Financing charges[5]	50,525	425,492	44,579	1,725	713
Total Expense[4]	772,483	2,579,817	1,176,695	51,220	943,419
Net Income from Government Business Enterprises	43,491	205,827	119,776	8,352	49,878
Retained earnings, beginning of year	1,023,837	1,937,815	823,806	62,883	348,404
Adjustment to retained earnings, beginning of year[6]	(19,251)	-	-	-	-
Dividends to government entities	(23,120)	(20,580)	(107,798)	(4,176)	(54,250)
Retained earnings, end of year	1,024,957	2,123,062	835,784	67,059	344,032
Accumulated other comprehensive income (loss), beginning of year	512	(23,505)	104,362	187	(4,487)
Adjustment to accumulated other comprehensive income (loss), beginning of year[6]	-	-	-	-	-
Other comprehensive income (loss)	2,729	55,016	4,842	148	640
Accumulated other comprehensive income (loss), end of year	3,241	31,511	109,204	335	(3,847)
Equity advances from government entities	71,531	593,000	237,000	8,700	80,000
Investment in Government Business Enterprises	1,099,729	2,747,573	1,181,988	76,094	420,185

1 Net assets are restricted as disclosed on page 64.

2 Adjustments primarily include:
- the change in the value of WCB investment portfolio to reflect market volatility in the first quarter of 2020, due in large part to COVID-19; and
- the elimination of unrealized inter-entity gains and losses.

3 Includes bonds and debentures of $2,174.8 million (2019 - $2,088.4 million) that bear interest at rates up to 7.2 per cent (2019 - up to 6.8 per cent) and have maturity dates up to 57.5 years (2019 - up to 59.0 years).

4 Total assets include $1,322.7 million (2019 - $1,188.2 million) due from or invested in public sector entities (entities); total liabilities include $10,594.4 million (2019 - $9,988.4 million) in gross debt owing to entities and $381.3 million (2019 - $407.6 million) in accounts payable or services due from entities; total revenue includes $370.2 million (2019 - $364.7 million - restated) from entities; and total expense includes $822.8 million (2019 - $804.4 million) paid and owing to entities.

5 Financing charges is reported net of sinking fund earnings. Interest in the amount of $355.9 million (2019 - $336.5 million) was paid and owing to entities.

6 Adjustment for the current year represents a change in accounting policy for recognition of certain losses on capital assets (2019 - the adoption of IFRS 15) (*note 12*).

Schedule 3

Auto Fund[1]	WCB[1]	SLGA	SGC	MFC	Adjustments[2]	2020 Total	2019 Total
35,807	57,076	44,189	20,069	2,747	-	502,221	206,417
253,933	18,285	56,658	188	2,293	-	1,388,061	1,469,176
4,698	-	24,829	147	-	-	298,406	319,462
44,530	599	1,667	626	-	-	357,311	316,884
2,646,556	2,093,247	-	-	202,344	(181,178)	5,852,079	5,846,948
59,285	9,055	140,965	63,103	-	(15,828)	15,723,872	15,128,168
11,895	9,910	18,479	-	-	-	455,557	444,531
-	-	-	-	13,352	-	1,206,862	1,071,296
-	1,512	167	-	-	-	125,415	140,544
3,056,704	2,189,684	286,954	84,133	220,736	(197,006)	25,909,784	24,943,426
77,151	24,444	20,740	14,373	1,095	-	1,076,410	1,009,152
-	-	105,140	-	-	-	151,792	187,849
-	-	99,752	5,000	202,853	-	10,585,496	10,031,040
391,408	-	-	-	-	(26,099)	1,186,192	1,162,142
1,781,398	1,553,430	-	-	-	-	3,955,547	3,820,879
-	6,438	64,622	4,976	-	-	2,114,294	2,064,769
2,249,957	1,584,312	290,254	24,349	203,948	(26,099)	19,069,731	18,275,831
806,747	605,372	(3,300)	59,784	16,788	(170,907)	6,840,053	6,667,595
1,051,745	267,210	1,083,438	114,077	-	(3,233)	8,433,056	8,392,432
2,450	277,085	-	-	8,107	(181,178)	137,603	167,798
1,054,195	544,295	1,083,438	114,077	8,107	(184,411)	8,570,659	8,560,230
211,473	79,185	609,370	93,461	50	1,003	5,445,092	5,304,376
889,428	296,101	-	-	-	-	1,735,579	1,731,986
-	109	3,809	536	7,131	-	534,619	512,639
1,100,901	375,395	613,179	93,997	7,181	1,003	7,715,290	7,549,001
(46,706)	168,900	470,259	20,080	926	(185,414)	855,369	1,011,229
853,453	438,208	4,132	52,974	15,327	14,507	5,575,346	5,161,999
-	-	-	-	-	-	(19,251)	111,095
-	-	(474,991)	(13,270)	-	-	(698,185)	(708,977)
806,747	607,108	(600)	59,784	16,253	(170,907)	5,713,279	5,575,346
-	(2,366)	(5,702)	-	17	-	69,018	45,557
-	-	-	-	-	-	-	152
-	630	3,002	-	518	-	67,525	23,309
-	(1,736)	(2,700)	-	535	-	136,543	69,018
-	-	-	-	-	-	990,231	1,023,231
806,747	605,372	(3,300)	59,784	16,788	(170,907)	6,840,053	6,667,595

[7] Includes lease obligations of $1,114.5 million (2019 - $1,118.7 million) with the following payment schedule:

(thousands of dollars)	2020	2019
2019-20	-	188,303
2020-21	194,879	191,458
2021-22	192,878	195,011
2022-23	193,241	198,263
2023-24	195,875	201,824
2024-25	189,051	-
Thereafter	1,494,341	1,695,490
	2,460,265	2,670,349
Less interest and executory costs	(1,345,717)	(1,551,611)
Leases[a]	1,114,548	1,118,738

[a] Leases bear interest up to 15.8 per cent (2019 - up to 15.8 per cent) and have expiry dates up to 32.3 years (2019 - up to 17.6 years).

Investment in Government Business Enterprises *(continued)* Schedule 3

The investment in government business enterprises is comprised of the Government's equity in the entities listed below. The financial statements of these entities are prepared in accordance with International Financial Reporting Standards.

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy develops and delivers safe, reliable natural gas solutions in Saskatchewan.

Saskatchewan Power Corporation (SaskPower)

SaskPower generates, purchases, transmits, distributes and sells electricity and related products and services.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel markets and supplies a range of wireless, voice, entertainment, internet, data, equipment, marketing, security, software and consulting products and services.

Saskatchewan Water Corporation (SaskWater)

SaskWater provides safe, reliable and sustainable water and wastewater services to Saskatchewan communities as well as to industrial and commercial customers.

Saskatchewan Government Insurance (SGI) and Saskatchewan Auto Fund (Auto Fund)

SGI's fully competitive general insurance business, SGI CANADA, offers a comprehensive line of property and casualty insurance products including policies for automobile, farm and commercial enterprise in Saskatchewan and four other Canadian provinces.

The Auto Fund, administered by SGI, provides driver's licenses, vehicle registrations and compulsory insurance on all vehicles registered in Saskatchewan. Any net assets of the Auto Fund are held on behalf of Saskatchewan's motoring public and cannot be used for any other purpose.

Workers' Compensation Board (Saskatchewan) (WCB)

WCB provides workers' compensation insurance to Saskatchewan workers who are injured in the course of their employment. Any net assets of the WCB cannot be used for any other purpose.

Liquor and Gaming Authority (SLGA)

SLGA is responsible for the distribution and regulation of liquor, cannabis and gaming products in Saskatchewan. It also directly manages the majority of the Province's electronic gaming machines, including video lottery terminals and slot machines at First Nations casinos.

Saskatchewan Gaming Corporation (SGC)

SGC owns and operates Casino Regina and Casino Moose Jaw.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

Other Investments

Schedule 4

As at March 31, 2020
(thousands of dollars)

	2020	2019 (Restated)
Pooled investment funds	153,911	173,122
Bonds and debentures[1]	138,452	164,796
Other[2]	95,868	120,260
Total Other Investments[3]	388,231	458,178

1 Bonds and debentures held by the Government have a market value of $141.7 million (2019 - $163.9 million) and include securities of:

	2020	2019 (Restated)
Corporations (coupon interest range 1.5 to 6.8 per cent; maturing in 1.0 to 28.9 years)	51,012	82,970
Government of Canada (coupon interest range 1.0 to 5.0 per cent; maturing in 1.5 to 28.9 years)	41,253	30,311
Governments of other provinces (coupon interest range 1.4 to 5.8 per cent; maturing in 2.2 to 30.6 years)	39,860	47,381
Other (coupon interest range 2.5 to 5.4 per cent; maturing in 4.6 to 27.9 years)	6,327	4,134
Total Bonds and Debentures	138,452	164,796

2 Other includes $74.8 million (2019 - $104.6 million - restated) in fixed-rate securities with a market value of $75.6 million (2019 - $105.5 million - restated) and $21.0 million (2019 - $15.7 million - restated) in Canadian and international equity market investments with a market value of $94.3 million (2019 - $100.2 million - restated).

3 Includes $5.9 million (2019 - $11.9 million - restated) restricted as a result of agreements with external parties.

Accounts Payable and Accrued Liabilities

Schedule 5

As at March 31, 2020

(thousands of dollars)

	2020	2019 (Restated)
Accrued salaries and benefits[1]	882,397	838,169
Transfers[2]	589,231	644,311
Federal government repayments[3]	474,515	647,429
Supplier payments	364,090	403,645
Contaminated sites[4]	208,051	246,642
Accrued interest	109,283	97,443
Treaty land entitlement claims	100,236	100,236
Other	275,589	262,481
Total Accounts Payable and Accrued Liabilities	3,003,392	3,240,356

1 Includes accruals for other employee future benefits of $395.5 million (2019 - $378.1 million - restated).

2 Includes transfers to the federal government of $116.7 million (2019 - $104.2 million) and capital transfers of $52.5 million (2019 - $67.0 million).

3 Includes amounts repayable for income taxes and Equalization transfers, $177.5 million (2019 - $177.2 million) of which is due within one year.

4 Contaminated sites include:

Abandoned mines
The Government is responsible for remediation of certain abandoned uranium and precious and base metal mines on Crown land. For most of these abandoned mines, the companies that caused the contamination no longer exist. The contaminated sites liabilities include $109.0 million (2019 - $146.5 million) for the remediation of uranium mines, primarily the Gunnar and Lorado sites, and is net of expected recoveries of $11.2 million (2019 - $11.2 million). The Gunnar site has building debris, tailings and waste rock that contain radiation, and surface and ground water with elevated concentrations of uranium and several other elements. Lorado has radioactive tailings and 35 satellite uranium mine sites have issues including acidic water conditions and elevated radiation in exposed waste rock. The contaminated sites liabilities also include $30.3 million (2019 - $29.8 million) related to precious and base metal mines, which have several contaminants in soil, sediment and surface water from waste rock, tailings and concentrates.

Industrial operations

The Government has provided a $59.5 million (2019 - $59.6 million) indemnity for environmental liabilities predating 1986 related to the industrial operations of the ERCO Worldwide chemical plant and the Prince Albert pulp mill site. The chemical plant has excessive mercury levels in the soil throughout the site. The pulp mill site has excessive contaminants in a landfill waste area.

Other contaminated sites

The Government also has $9.3 million (2019 - $10.8 million) of other contaminated sites liabilities, mainly related to the storage of road salt and fuel.

Unearned Revenue

Schedule 6

As at March 31, 2020

(thousands of dollars)

	2020	2019 (Restated)
Motor vehicle licensing fees	68,444	66,737
Education	52,495	31,270
Health care	15,281	14,824
Other	43,480	36,013
Total Unearned Revenue	179,700	148,844

Pension Liabilities

Schedule 7

As at March 31, 2020
(thousands of dollars)

	TSP	PSSP	Others	2020 Total	2019 Total
Accrued benefit obligation, beginning of year	5,622,430	1,774,007	407,592	7,804,029	7,926,465
Current period benefit cost	1,594	73	16,179	17,846	17,934
Interest cost	147,323	46,278	16,581	210,182	233,537
Actuarial (gains) losses	(281,250)	(100,872)	(28,455)	(410,577)	103,677
Benefit payments	(333,642)	(120,150)	(18,350)	(472,142)	(477,584)
Accrued Benefit Obligation, End of Year	5,156,455	1,599,336	393,547	7,149,338	7,804,029
Plan assets, beginning of year	247,242	-	170,642	417,884	439,218
Employer contributions	293,729	120,137	14,500	428,366	418,945
Employee contributions	228	13	3,847	4,088	4,104
Return on plan assets[1]	26,299	-	10,003	36,302	37,472
Actuarial losses	(3,462)	-	(2,710)	(6,172)	(4,271)
Benefit payments	(333,642)	(120,150)	(18,350)	(472,142)	(477,584)
Plan Assets, End of Year[2]	230,394	-	177,932	408,326	417,884
	4,926,061	1,599,336	215,615	6,741,012	7,386,145
Unamortized estimation adjustments[3]	284,455	100,872	21,271	406,598	(67,010)
Joint defined benefit plan (SHEPP) net asset[1 4]	n/a	n/a	(926,019)	(926,019)	(774,200)
Valuation allowance[5]	-	-	930,730	930,730	777,612
Total Pension Liabilities[6]	5,210,516	1,700,208	241,597	7,152,321	7,322,547

1 The actual rate of return on plan assets was 1.2 per cent (2019 - 19.0 percent) for the TSP and 11.5 per cent (2018 - negative 0.1 per cent) for the SHEPP.

2 The market value of plan investments was $436.1 million at March 31, 2020 (2019 - $457.6 million) for the defined benefit plans.

3 Unamortized estimation adjustments are amortized to pension expense over the expected average remaining service life of the related employee group at the time the estimation adjustments arose and commence in the year following the adjustment as follows: 1.1 years for the TSP; in the year following for the PSSP; up to 12.7 years for the SHEPP; and up to 13.0 years for the other plans.

4 At December 31, 2019, the SHEPP had a total accrued benefit obligation of $7,292.2 million (2018 - $6,843.7 million), plan assets at market-related values of $7,824.9 million (2018 - $7,287.2 million) and unamortized estimation adjustment losses of $393.3 million (2018 - $330.7 million). The Government portion of employer contributions to the plan totaled $176.9 million (2018 - $173.6 million - restated). Total member contributions were $161.2 million (2018 - $158.2 million) and total benefit payments were $362.5 million (2018 - $339.7 million). The market value of plan investments was $8,041.5 million at December 31, 2019 (2018 - $7,222.5 million). The fair value of these investments declined to $7,414.0 million at March 31, 2020 the result of significant market volatility in the first quarter of 2020, due in large part to COVID-19.

5 The valuation allowance includes $926.0 million (2018 - $774.2 million) for the SHEPP which reduces the Government portion of the SHEPP pension asset to nil as plan assets and surpluses are restricted for member benefits.

6 The total pension liabilities are based on the latest actuarial valuations extrapolated to March 31, 2020 for the defined benefit plans and December 31, 2019 for the joint defined benefit plan. Changes in assumptions can result in significantly higher or lower estimates of pension liabilities. A one percentage point decrease in the discount rate would result in a $653.9 million and $171.1 million increase in pension liabilities for the TSP and the PSSP respectively, and a one percentage point increase would result in a $542.3 million and $143.9 million decrease in pension liabilities for the TSP and the PSSP respectively. A one percentage point decrease in the discount rate would result in a $1,006.3 million decrease in the SHEPP pension asset, and a one percentage point increase would result in a $816.7 million increase in the SHEPP pension asset.

Public Debt

Schedule 8

As at March 31, 2020

(thousands of dollars)

	2020			2019		
	General Debt[1 2]	Government Business Enterprise Specific Debt[1]	Public Debt	General Debt[1 2] (Restated)	Government Business Enterprise Specific Debt[1]	Public Debt (Restated)
General Revenue Fund						
Operating	6,149,964	-	6,149,964	6,149,998	-	6,149,998
Saskatchewan Capital Plan[3]	5,402,870	-	5,402,870	4,193,755	-	4,193,755
Saskatchewan Power Corporation[4]	86,187	6,311,905	6,398,092	87,581	6,155,984	6,243,565
SaskEnergy Incorporated[4]	64,640	1,427,534	1,492,174	65,686	1,254,076	1,319,762
Saskatchewan Telecommunications Holding Corporation[4]	-	1,107,256	1,107,256	-	1,030,040	1,030,040
Municipal Financing Corporation of Saskatchewan[4]	93,515	109,990	203,505	94,701	113,046	207,747
Boards of Education	159,050	-	159,050	163,559	-	163,559
Saskatchewan Health Authority	101,403	-	101,403	103,345	-	103,345
Liquor and Gaming Authority[4]	-	99,225	99,225	-	99,046	99,046
Saskatchewan Water Corporation[4]	-	76,347	76,347	-	61,563	61,563
Saskatchewan Opportunities Corporation	51,673	-	51,673	53,232	-	53,232
Global Transportation Hub Authority	43,420	-	43,420	41,776	-	41,776
Water Security Agency	25,896	-	25,896	31,589	-	31,589
Health Sector Affiliates	9,657	-	9,657	11,263		11,263
Saskatchewan Housing Corporation	5,100	-	5,100	15,801	-	15,801
Saskatchewan Immigrant Investor Fund Inc.	2,992	-	2,992	24,421	-	24,421
Other	2,892	-	2,892	3,206	-	3,206
Total[5]	12,199,259	9,132,257	21,331,516	11,039,913	8,713,755	19,753,668

1 General debt and government business enterprise specific debt are presented net of sinking funds (*see footnote 5*).

2 General debt includes $33.3 million (2019 - $37.9 million - restated) secured primarily by assets with a carrying value of $120.9 million (2019 - $139.3 million - restated).

3 General Revenue Fund - Saskatchewan Capital Plan consists of amounts borrowed by the General Revenue Fund to finance investment in infrastructure assets as presented in the Saskatchewan Provincial Budget.

4 Government business enterprise public debt includes both general debt and government business enterprise (GBE) specific debt. General debt of government business enterprises represents amounts transferred from the General Revenue Fund and recorded as loans receivable (*schedule 2*). GBE specific debt represents debt issued by, or specifically on behalf of, government business enterprises.

Schedule 3 provides information on government business enterprises as presented in their audited financial statements closest to March 31, 2020. The public debt reported above is lower than the gross debt, net of sinking funds, reported on schedule 3 by $2.0 million (2019 - increase of $2.0 million) mainly for transactions occurring from the audited financial statements to March 31, 2020 and to conform to Canadian public sector accounting standards.

Public Debt *(continued)*

Schedule 8

[5] Public debt is comprised of gross debt net of sinking funds as follows:

			2020
	Gross Debt [a]	**Sinking Funds** (*schedule 9*)	**Public Debt**
General Revenue Fund			
Operating	7,215,564	(1,065,600)	6,149,964
Saskatchewan Capital Plan	5,599,958	(197,088)	5,402,870
Saskatchewan Power Corporation	7,221,161	(823,069)	6,398,092
SaskEnergy Incorporated	1,623,943	(131,769)	1,492,174
Saskatchewan Telecommunications Holding Corporation	1,300,452	(193,196)	1,107,256
Municipal Financing Corporation of Saskatchewan	216,585	(13,080)	203,505
Boards of Education	159,050	-	159,050
Saskatchewan Health Authority	101,403	-	101,403
Liquor and Gaming Authority	99,225	-	99,225
Saskatchewan Water Corporation	87,386	(11,039)	76,347
Saskatchewan Opportunities Corporation	56,322	(4,649)	51,673
Global Transportation Hub Authority	43,420	-	43,420
Water Security Agency	25,896	-	25,896
Health Sector Affiliates	9,657	-	9,657
Saskatchewan Housing Corporation	10,336	(5,236)	5,100
Saskatchewan Immigrant Investor Fund Inc.	2,992	-	2,992
Other	2,892	-	2,892
Public Debt	23,776,242	(2,444,726)	21,331,516

[a] The average effective interest rate on gross debt was 3.9 per cent (2019 - 3.9 per cent) and includes the impact of foreign exchange and the amortization of any premiums or discounts associated with the debentures. The average term to maturity of gross debt is 15.8 years (2019 - 15.9 years).

Principal payment requirements on public debt in each of the next five years and thereafter are as follows:

Year of Maturity	**2020**	**2019** (Restated)
Short-term promissory notes	2,397,712	2,335,888
2019-20	-	328,383
2020-21	1,665,189	1,542,154
2021-22	285,541	290,580
2022-23	516,969	521,403
2023-24	79,523	84,017
2024-25	1,017,548	-
6-10 years	4,345,866	4,810,143
Thereafter	13,467,894	12,066,566
Gross debt [a]	23,776,242	21,979,134
Sinking funds	(2,444,726)	(2,225,466)
Public Debt	21,331,516	19,753,668

[a] Gross debt includes Canada Pension Plan debentures of $711.2 million (2019 - $745.1 million). These debentures are callable in whole or in part before maturity, at the option of the Minister of Finance of Saskatchewan.

Sinking Funds

Schedule 9

As at March 31, 2020

(thousands of dollars)

	2019 Sinking Funds	Contributions[1]	Earnings[2]	Redemptions[3]	2020 Sinking Funds
General Revenue Fund					
Operating	1,017,492	56,547	31,123	(39,562)	1,065,600
Saskatchewan Capital Plan	106,245	86,000	4,843	-	197,088
Saskatchewan Power Corporation	740,566	59,501	23,002	-	823,069
Saskatchewan Telecommunications Holding Corporation	174,855	12,916	5,425	-	193,196
SaskEnergy Incorporated	120,142	11,421	3,912	(3,706)	131,769
Municipal Financing Corporation of Saskatchewan	10,853	1,856	371	-	13,080
Saskatchewan Water Corporation	14,830	2,064	785	(6,640)	11,039
Saskatchewan Housing Corporation	36,334	209	1,051	(32,358)	5,236
Saskatchewan Opportunities Corporation	4,149	367	133	-	4,649
Total Sinking Funds[4]	2,225,466	230,881	70,645	(82,266)	2,444,726

[1] Annual contributions, established by Order in Council, are typically set at a minimum of either one or two per cent of debentures outstanding. The aggregate amount of contributions estimated to be required in each of the next five years and thereafter to meet sinking fund requirements by debt classification (*see footnote 4*) are as follows:

	2021	2022	2023	2024	2025	Thereafter	Total
General debt	165,084	165,505	165,189	164,180	156,056	2,635,698	3,451,712
Government business enterprise specific debt	86,647	82,704	80,304	77,623	76,000	1,369,571	1,772,849
Total Sinking Fund Contributions	251,731	248,209	245,493	241,803	232,056	4,005,269	5,224,561

[2] Sinking fund earnings include gains on investment sales of $13.5 million (2019 - $0.9 million).

[3] Redemptions are based on the market value of the sinking fund units at the date of redemption.

[4] Total sinking funds, with a market value of $2,515.9 million (2019 - $2,246.3 million), are segregated by debt classification as follows:

	2019 Sinking Funds	Contributions	Earnings	Redemptions	2020 Sinking Funds
General debt	1,191,252	145,873	38,026	(71,920)	1,303,231
Government business enterprise specific debt	1,034,214	85,008	32,619	(10,346)	1,141,495
Total Sinking Funds	2,225,466	230,881	70,645	(82,266)	2,444,726

Sinking fund assets have been invested as follows:

	2020	2019
Long-term investments[a] in securities of:		
Governments of other provinces (coupon interest range 1.4 to 9.6 per cent; maturing in 1.2 to 30.6 years)	1,363,757	1,230,016
Government of Saskatchewan (coupon interest range 2.7 to 9.6 per cent; maturing in 1.2 to 30.2 years)	363,534	298,913
Government of Canada (coupon interest range 1.3 to 4.0 per cent; maturing in 1.2 to 28.7 years)	295,982	304,849
Cash, short-term investments and accrued interest	421,453	391,688
Total Sinking Funds	2,444,726	2,225,466

[a] The average yield to maturity on long-term investments at March 31, 2020 was 2.3 per cent (2019 - 2.4 per cent).

Obligations Under Long-Term Financing Arrangements — Schedule 10

As at March 31, 2020
(thousands of dollars)

	Contract End Date	Discount Rate	2019 Obligation	Additions	Payments	2020 Obligation
Regina Bypass	October 2049	3.10%	1,368,227	72,968	(585,240)	855,955
Elementary Schools	June 2047	3.05%	280,224	2,034	(8,751)	273,507
Saskatchewan Hospital North Battleford	May 2048	3.25%	233,745	-	(4,889)	228,856
Swift Current Long-Term Care Facility	April 2046	3.50%	116,685	-	(2,662)	114,023
Total Obligations Under Long-Term Financing Arrangements			1,998,881	75,002	(601,542)	1,472,341

The Government has entered into 32 to 34 year public private partnership (P3) contracts to design, build, finance, operate and maintain certain tangible capital assets, all of which are complete and operational.

The payment schedule for P3 financing is as follows:

	2020 Obligation[1]	2020 Contractual Obligation for Future Operation, Maintenance & Life Cycle Rehabilitation[2]	2020 Total	2019 Total
2019-20	-	-	-	649,688
2020-21	82,404	22,994	105,398	105,368
2021-22	82,772	24,215	106,987	106,716
2022-23	77,841	24,733	102,574	102,327
2023-24	77,841	25,137	102,978	102,808
2024-25	77,841	25,733	103,574	-
Thereafter	1,828,578	1,067,664	2,896,242	2,999,142
	2,227,277	1,190,476	3,417,753	4,066,049
Less interest costs	(754,936)	-	(754,936)	(785,934)
Total	1,472,341	1,190,476	2,662,817	3,280,115

1 Represents the liability recorded for the capital portion of the project (*as reported above*).

2 Represents the contractual obligation (*as reported in note 9*) for operation, maintenance and life cycle rehabilitation payments for the duration of the contract. Total future payments for these contractual obligations, by project, are as follows:

	2020	2019
Regina Bypass	709,134	790,884
Elementary Schools[a]	259,439	265,885
Saskatchewan Hospital North Battleford	146,962	147,896
Swift Current Long-Term Care Facility	74,941	76,569
Total	1,190,476	1,281,234

a Includes \$9.5 million (2019 - \$11.4 million) for construction & acquisition of relocatable classrooms.

Other Liabilities

Schedule 11

As at March 31, 2020
(thousands of dollars)

	2020	2019 (Restated)
Funds held on behalf of others[1]	180,916	171,694
Unamortized debt related costs[2]	124,321	2,345
Capital leases[3]	52,764	58,246
Other	28,212	28,377
Total Other Liabilities	386,213	260,662

[1] Includes $46.4 million (2019 - $42.7 million) for government business enterprises.

[2] Unamortized debt related costs include:

	2020	2019
Net premium[a]	176,120	53,740
Debt issue costs[a]	(49,531)	(44,910)
Foreign exchange loss[b]	(2,268)	(6,485)
Unamortized Debt Related Costs	124,321	2,345

[a] Combined net change in net premium and debt issue costs is reported in operating activities on the Statement of Cash Flow as increase (decrease) in unamortized debt related costs in net change in non-cash operating activities (*schedule 17*).
[b] Net foreign exchange loss is reported in operating activities on the Statement of Cash Flow as an other non-cash item included in deficit (*schedule 17*).

[3] The payment schedule for capital leases is as follows:

	2020	2019 (Restated)
2019-20	-	20,491
2020-21	16,820	15,763
2021-22	11,697	10,071
2022-23	9,621	7,893
2023-24	8,016	6,470
2024-25	6,215	-
Thereafter	38,315	44,866
	90,684	105,554
Less interest and executory costs	(37,920)	(47,308)
Capital Leases[a]	52,764	58,246

[a] Capital leases bear interest at rates up to 13.9 per cent (2019 - up to 13.9 per cent) and have expiry dates up to 12.6 years (2019 - up to 13.6 years).

Tangible Capital Assets

Schedule 12

As at March 31, 2020

(thousands of dollars)

	Land, Buildings & Improve-ments	Roads, Bridges & Water Management	Machinery & Equipment	Trans-portation Equipment	Office & Information Technology	2020 Total	2019 Total
Estimated useful life (in years)	*2 - indefinite*	*5-100*	*2-33*	*3-40*	*2-25*		(Restated)[1]
Opening Net Book Value of Tangible Capital Assets (restated)[1]	5,564,029	5,349,586	287,790	220,802	333,915	11,756,122	11,360,492
Opening cost (restated)[1]	9,636,817	8,140,234	1,337,426	513,054	1,032,534	20,660,065	19,976,932
Adjustments[2]	(9,249)	(71,961)	(13,436)	(10,457)	(14,846)	(119,949)	(59,511)
Acquisitions	264,608	399,698	88,135	33,812	56,771	843,024	1,029,370
Write-downs	(15,292)	(1,269)	(25,770)	(1,068)	(3,501)	(46,900)	(92,247)
Disposals	(14,285)	(43,575)	(29,147)	(26,311)	(29,676)	(142,994)	(194,479)
Closing Cost[3 4]	9,862,599	8,423,127	1,357,208	509,030	1,041,282	21,193,246	20,660,065
Opening accumulated amortization (restated)[1]	4,072,788	2,790,648	1,049,636	292,252	698,619	8,903,943	8,616,440
Adjustments[2]	-	-	-	-	-	-	(52,434)
Annual amortization	234,222	202,712	56,559	30,408	73,171	597,072	604,991
Write-downs	(6,047)	(101)	(24,932)	(933)	(3,386)	(35,399)	(82,810)
Disposals	(11,381)	(43,474)	(26,078)	(24,018)	(26,215)	(131,166)	(182,244)
Closing Accumulated Amortization	4,289,582	2,949,785	1,055,185	297,709	742,189	9,334,450	8,903,943
Closing Net Book Value of Tangible Capital Assets[5]	5,573,017	5,473,342	302,023	211,321	299,093	11,858,796	11,756,122

Tangible capital assets does not include capital assets recognized by government business enterprises (*schedule 3*) and intangible assets. In addition, works of art and historical treasures, such as the Legislative Building, and items inherited by right of the Crown, such as Crown lands, forests, water and mineral resources, are not included as an estimate of the future economic benefits of these cannot be reasonably and verifiably quantified.

1 Opening net book value of tangible capital assets includes a restatement for Health Sector Affiliates as follows (*note 11*):

	Land, Buildings & Improve-ments	Roads, Bridges & Water Management	Machinery & Equipment	Trans-portation Equipment	Office & Information Technology	2020 Total	2019 Total
Opening cost	251,575	-	73,145	460	833	326,013	321,086
Opening accumulated amortization	140,657	-	56,426	253	461	197,797	190,667
Opening Net Book Value	110,918	-	16,719	207	372	128,216	130,419

2 Adjustments for 2020 consist of a reduction of $75.0 million to opening cost for provincial sales tax capitalized up to March 31, 2019 (*note 12*) and a $44.9 million recovery for realized utility savings during the construction period on the Regina Bypass P3 project; and for 2019 the transfer of irrigation infrastructure assets to provincial irrigation districts.

3 Closing cost includes work in progress of $315.6 million (2019 - $394.6 million - restated).

4 Closing cost includes the Government's $29.5 million (2019 - $29.5 million) share in the North Central Shared Facility partnership.

5 Closing net book value includes tangible capital assets acquired under public private partnerships (P3 assets) and leased tangible capital assets (leased TCAs) as follows:

	Land, Buildings & Improve-ments	Roads, Bridges & Water Management	Machinery & Equipment	Trans-portation Equipment	Office & Information Technology	2020 Total	2019 Total (Restated)
P3 Assets							
Opening cost (restated)	944,349	1,481,921	-	-	-	2,426,270	2,111,804
Adjustments[a]	-	(44,931)	-	-	-	(44,931)	-
Acquisitions	2,034	72,968	-	-	-	75,002	314,466
Closing cost	946,383	1,509,958	-	-	-	2,456,341	2,426,270
Closing accumulated amortization	44,659	16,269	-	-	-	60,928	33,461
Closing Net Book Value	901,724	1,493,689	-	-	-	2,395,413	2,392,809
Leased TCAs							
Closing cost	52,053	-	13,417	6,998	43,342	115,810	108,667
Closing accumulated amortization	20,361	-	3,311	4,447	34,679	62,798	50,854
Closing Net Book Value	31,692	-	10,106	2,551	8,663	53,012	57,813

[a] Adjustments represent a recovery for realized utility savings during the construction period on the Regina Bypass P3 project.

Revenue

Schedule 13

For the Year Ended March 31, 2020
(thousands of dollars)

	2020		2019
	Budget	**Actual**	**Actual** (Restated)
Own-Source			
Taxation			
Individual income	2,555,700	2,629,064	2,340,007
Provincial sales	2,304,700	2,205,842	2,224,769
Corporation income	729,200	787,451	585,527
Property	768,000	773,973	763,308
Fuel	568,700	507,878	555,593
Tobacco	234,500	206,794	236,447
Other[1]	427,700	442,270	411,021
Total Taxation	7,588,500	7,553,272	7,116,672
Non-Renewable Resources			
Oil and natural gas	691,100	667,791	681,565
Potash	618,600	554,426	536,008
Resource surcharge	385,000	413,344	393,848
Crown land sales	46,600	17,127	58,088
Other	85,500	97,610	65,614
Total Non-Renewable Resources[2]	1,826,800	1,750,298	1,735,123
Net Income from Government Business Enterprises *(schedule 3)*	1,080,500	855,369	1,011,229
Other Own-Source			
Fees[3]	1,132,200	1,200,173	1,191,792
Insurance	302,600	279,282	290,322
Investment	102,900	118,644	113,917
Transfers from other governments	92,300	77,509	76,409
Miscellaneous[4]	432,100	462,784	455,840
Total Other Own-Source	2,062,100	2,138,392	2,128,280
Total Own-Source	12,557,900	12,297,331	11,991,304
Transfers from the Federal Government			
Canada Health Transfer	1,263,800	1,262,739	1,203,346
Canada Social Transfer	456,600	456,202	441,623
Other[5]	746,800	870,865	865,309
Total Transfers from the Federal Government	2,467,200	2,589,806	2,510,278
Total Revenue	15,025,100	14,887,137	14,501,582

1 Includes $159.6 million (2019 - $144.1 million) for corporate capital tax; $151.4 million (2019 - $141.6 million) for insurance premium tax; and $91.6 million (2019 - $92.2 million) for liquor consumption tax.

2 Includes taxes of $505.8 million (2019 - $470.6 million).

3 Includes $280.7 million (2019 - $283.3 million - restated) for health care; $204.3 million (2019 - $204.9 million) for motor vehicle licensing; $166.5 million (2019 - $161.4 million) for education; $109.1 million (2019 - $108.2 million) for subsidized housing rental; and $104.5 million (2019 - $109.9 million) for real property sales and leases.

4 Includes $93.9 million (2019 - $58.1 million - restated) for donations; $61.9 million (2019 - $72.2 million) for lottery profits; and $12.6 million (2019 - $17.3 million) for reversals of prior year expenses.

5 Includes $224.9 million (2019 - $238.1 million) for crop insurance; $177.5 million (2019 - $148.7 million - restated) for infrastructure; $82.2 million (2019 - $92.0 million) for agricultural income stability; and $79.9 million (2019 - $78.0 million) for labour market initiatives.

Expense by Object

Schedule 14

For the Year Ended March 31, 2020
(thousands of dollars)

	2020	2019 (Restated)
Salaries and benefits	6,770,919	6,403,768
Transfers[1]	4,520,424	4,436,192
Operating costs	2,592,957	2,632,823
Financing charges (*schedule 15*)	674,967	646,925
Amortization of tangible capital assets (*schedule 12*)	597,072	604,991
Other	50,123	44,792
Total Expense	15,206,462	14,769,491

1 Includes capital transfers of $261.8 million (2019 - $265.1 million - restated).

Financing Charges

Schedule 15

For the Year Ended March 31, 2020
(thousands of dollars)

	2020	2019 (Restated)
Interest costs		
General debt[1]	452,726	414,789
Pension liabilities (*note 5*)	173,880	196,065
Obligations under long-term financing arrangements	31,058	16,509
Other costs	17,303	19,562
Total Financing Charges	674,967	646,925

1 Interest on general debt is presented net of $410.2 million (2019 - $388.0 million) in interest reimbursed for debt borrowed by the General Revenue Fund specifically on behalf of government business enterprises.

Segmented Reporting

For the Year Ended March 31, 2020

(thousands of dollars)

	Health		Education		Social Services and Assistance		Protection of Persons and Property	
	2020	2019 (Restated)	2020	2019	2020	2019	2020	2019 (Restated)
Revenue								
Taxation	-	-	124,838	83,616	-	-	-	-
Non-renewable resources	-	-	-	-	-	-	-	-
Net income from government business enterprises (*schedule 3*)	-	-	-	-	-	-	-	-
Revenue from government entities	15,660	15,693	-	-	-	-	-	-
Other own-source	452,327	423,944	285,135	277,501	118,899	119,506	61,302	51,746
Transfers from the federal government	7,277	5,617	18,372	18,433	50,205	48,497	4,374	1,227
Total Revenue (*schedule 13*)	475,264	445,254	428,345	379,550	169,104	168,003	65,676	52,973
Expense								
Salaries and benefits[3]	3,413,000	3,274,211	2,067,409	1,936,209	166,025	165,975	327,434	316,596
Transfers	1,461,500	1,427,453	723,191	732,416	1,081,719	1,052,496	266,059	259,370
Operating costs	1,021,393	978,106	572,069	578,189	169,445	163,707	171,916	183,074
Financing charges[3] (*schedule 15*)	-	-	-	-	-	-	-	-
Amortization of tangible capital assets (*schedule 12*)	144,055	155,794	136,126	142,088	20,692	18,529	19,230	19,407
Other	11,410	12,031	16,280	6,676	3,177	2,788	4,595	4,561
Total expense by segment	6,051,358	5,847,595	3,515,075	3,395,578	1,441,058	1,403,495	789,234	783,008
Eliminations[2]	-	-	(13,513)	(12,857)	(4,710)	(4,710)	(2,147)	(2,836)
Total Expense[3] (*schedule 14*)	6,051,358	5,847,595	3,501,562	3,382,721	1,436,348	1,398,785	787,087	780,172

The segments are based on the major functional groupings of activities, or themes, used in the Statement of Operations, which reflects the accountability and reporting framework set out by the Government in the Budget. Schedule 18 identifies the entities included in each theme.

1 *General government & other* revenue includes net income from government business enterprises as well as all public monies paid into the General Revenue Fund.

2 Represents adjustments to eliminate transactions between segments. Adjustments to eliminate transactions within a segment and adjustments to conform to the Government's accounting policies are represented in each segment.

3 Includes a total of $653.1 million (2019 - $467.9 million - restated) for pension expense as follows:

	Health		Education		General Government & Other		Total	
	2020	2019 (Restated)	2020	2019	2020	2019	2020	2019 (Restated)
Salaries and benefits	193,552	189,390	139,741	14,217	145,935	68,200	479,228	271,807
Financing charges (*schedule 15*)	-	-	-	-	173,880	196,065	173,880	196,065
Total pension expense (*note 5*)	193,552	189,390	139,741	14,217	319,815	264,265	653,108	467,872

Schedule 16

Community Development		Agriculture		Transportation		General Government & Other[1]		Eliminations[2]		Total	
2020	2019	2020	2019	2020	2019	2020	2019 (Restated)	2020	2019	2020	2019 (Restated)
5,072	6,222	-	-	-	-	7,423,362	7,026,834	-	-	7,553,272	7,116,672
-	-	-	-	-	-	1,750,298	1,735,123	-	-	1,750,298	1,735,123
-	-	-	-	-	-	855,369	1,011,229	-	-	855,369	1,011,229
-	-	36,288	27,074	-	-	37,087	46,338	(89,035)	(89,105)	-	-
88,603	99,003	267,755	283,065	505	237	857,986	865,829	5,880	7,449	2,138,392	2,128,280
2,971	53	278,182	300,976	-	-	2,228,425	2,135,475	-	-	2,589,806	2,510,278
96,646	105,278	582,225	611,115	505	237	13,152,527	12,820,828	(83,155)	(81,656)	14,887,137	14,501,582
32,215	34,555	67,988	67,225	77,084	75,788	619,764	533,209	-	-	6,770,919	6,403,768
568,187	521,246	232,635	263,243	96,579	99,797	109,058	98,367	(18,504)	(18,196)	4,520,424	4,436,192
35,316	33,743	329,763	333,668	173,339	168,150	129,307	204,364	(9,591)	(10,178)	2,592,957	2,632,823
-	-	-	-	-	-	711,255	673,999	(36,288)	(27,074)	674,967	646,925
7,102	6,146	2,998	2,827	196,777	194,029	70,092	66,171	-	-	597,072	604,991
3,999	281	1,994	1,682	1,712	719	6,956	16,054	-	-	50,123	44,792
646,819	595,971	635,378	668,645	545,491	538,483	1,646,432	1,592,164	(64,383)	(55,448)	15,206,462	14,769,491
(5,384)	(5,971)	(2,341)	(2,000)	-	-	(36,288)	(27,074)	64,383	55,448	-	-
641,435	590,000	633,037	666,645	545,491	538,483	1,610,144	1,565,090	-	-	15,206,462	14,769,491

Supplemental Cash Flow Information

Schedule 17

For the Year Ended March 31, 2020
(thousands of dollars)

	2020	2019 (Restated)
Other Non-Cash Items Included in the Deficit		
Amortization of tangible capital assets (*schedule 12*)	597,072	604,991
Write-downs of tangible capital assets (*schedule 12*)	11,501	9,437
Net gain on disposal of tangible capital assets	(6,076)	(17,460)
Net loss on adjustments to tangible capital assets *(schedule 12)*	44,931	7,077
Net increase to provision for loss on accounts receivable and loans receivable	18,085	16,514
Net loss (gain) on other investments[1]	3,298	(3,179)
Earnings retained in sinking funds (*schedule 9*)	(38,026)	(27,360)
Net foreign exchange loss	4,217	4,218
Total Other Non-Cash Items Included in the Deficit	635,002	594,238
Net Change in Non-Cash Operating Activities		
Decrease (increase) in accounts receivable	165,571	(27,555)
Decrease in other financial assets	2,275	240
(Decrease) increase in accounts payable and accrued liabilities	(236,964)	158,519
Increase (decrease) in unearned revenue	30,856	(9,369)
Decrease in pension liabilities	(170,226)	(336,355)
Increase (decrease) in unamortized debt related costs	117,759	(7,583)
(Increase) decrease in prepaid expenses	(3,611)	1,275
(Increase) decrease in inventories held for consumption	(7,654)	7,075
Net Change in Non-Cash Operating Activities	(101,994)	(213,753)

[1] Net loss (gain) on other investments consists of:

	2020	2019 (Restated)
Loss (income) from equities and pooled funds	8,695	(279)
Gain on sale of bonds and equities	(5,291)	(3,057)
Provision for loss	-	286
Amortization of bond premiums and discounts	(106)	(129)
Net loss (gain) on other investments	3,298	(3,179)

Other Supplemental Information

	2020	2019 (Restated)
Cash interest paid during the year	444,698	407,340
Cash interest received during the year	187,072	59,278

Government Reporting Entity

Schedule 18

For the Year Ended March 31, 2020

The government reporting entity consists of public sector entities (entities) classified as government service organizations, government business enterprises and partnerships. The listing below reports the entities under these classifications segregated by sector based on functional groupings of activities, or themes.

Government Service Organizations (Consolidated) and Partnerships (Proportionately Consolidated)

Agriculture

Agricultural Credit Corporation of Saskatchewan
Crop Reinsurance Fund of Saskatchewan
Livestock Services Revolving Fund
Ministry of Agriculture
Pastures Revolving Fund
Prairie Agricultural Machinery Institute
Prairie Diagnostic Services Inc. (*partnership - organization under shared control*) [1a]
Saskatchewan Agricultural Stabilization Fund
Saskatchewan Crop Insurance Corporation

Community Development

Community Initiatives Fund
Government House Foundation
Ministry of Education [2b]
Ministry of Government Relations [2a]
Ministry of Parks, Culture and Sport [2a]
Northern Municipal Trust Account [1d]
Provincial Archives of Saskatchewan
Provincial Capital Commission
Saskatchewan Arts Board
Saskatchewan Centre of the Arts Fund
Saskatchewan Heritage Foundation
Saskatchewan Lotteries Trust Fund for Sport, Culture and Recreation
Saskatchewan Snowmobile Fund
Western Development Museum Fund

Economic Development [3]

Creative Saskatchewan
CIC Asset Management Inc. [2a]
CIC Economic Holdco Ltd.
First Nations and Métis Fund Inc.
Global Transportation Hub Authority
Innovation Saskatchewan
Ministry of Energy and Resources
Ministry of Environment [2b]
Ministry of Finance [2b]
Ministry of Immigration and Career Training [2b]
Ministry of Trade and Export Development
Saskatchewan Entrepreneurial Fund Joint Venture (*partnership - 45.5 per cent interest in organization under shared control*)
Saskatchewan Health Research Foundation
Saskatchewan Immigrant Investor Fund Inc.
Saskatchewan Opportunities Corporation
Saskatchewan Research Council
SaskBuilds Corporation
Tourism Saskatchewan

Education

Battlefords First Nations Joint Board of Education (*partnership - organization under shared control*) [1c]
Boards of Education [1c]
- Chinook School Division No. 211
- Christ the Teacher Roman Catholic Separate School Division No. 212
- Conseil des écoles fransaskoises no. 310
- Creighton School Division No. 111
- Good Spirit School Division No. 204
- Holy Family Roman Catholic Separate School Division No. 140
- Holy Trinity Roman Catholic Separate School Division No. 22
- Horizon School Division No. 205
- Ile-a-la Crosse School Division No. 112
- Light of Christ Roman Catholic Separate School Division No. 16
- Living Sky School Division No. 202
- Lloydminster Roman Catholic Separate School Division No. 89
- Lloydminster School Division No. 99
- North East School Division No. 200
- Northern Lights School Division No. 113
- Northwest School Division No. 203
- Prairie South School Division No. 210
- Prairie Spirit School Division No. 206
- Prairie Valley School Division No. 208
- Prince Albert Roman Catholic Separate School Division No. 6
- Regina Roman Catholic Separate School Division No. 81
- Regina School Division No. 4
- Saskatchewan Rivers School Division No. 119
- Saskatoon School Division No. 13
- South East Cornerstone School Division No. 209
- St. Paul's Roman Catholic Separate School Division No. 20
- Sun West School Division No. 207

Ministry of Advanced Education [2a]
Ministry of Education [2a]
Ministry of Immigration and Career Training [2a]
North Central Shared Facility (*partnership - 72.9 per cent interest in assets and 69.7 per cent interest in operations under shared control*) [1c]
Regional Colleges [1b]
- Carlton Trail College
- Cumberland College
- Great Plains College
- Northlands College
- North West College
- Parkland College
- Southeast College

Saskatchewan Apprenticeship and Trade Certification Commission [1b]

Government Reporting Entity *(continued)* Schedule 18

Education (*continued*)

Saskatchewan Polytechnic [1b]
Saskatchewan Professional Teachers Regulatory Board [1c]
Saskatchewan Student Aid Fund
Training Completions Fund

Environment and Natural Resources [3]

CIC Asset Management Inc. [2b]
Commercial Revolving Fund
Fish and Wildlife Development Fund
Forest Management Funds
- Carrier Forest Management Trust Fund
- Crown Agricultural Land Forest Fund
- Dunkley Forest Renewal Trust [6]
- Island Forests Management Fund
- L&M Forest Management Trust Fund
- Meadow Lake OSB Forest Management Trust Fund
- Mee-Toos Forest Management Fund Trust
- Mistik Forest Management Trust
- North Central Trust Fund [5]
- Park Land Forests Management Fund
- Sakaw Forest Renewal Trust Fund
- Weyerhaeuser Forest Renewal Trust Fund

Impacted Sites Fund
Institutional Control Monitoring and Maintenance Fund
Institutional Control Unforeseen Events Fund
Ministry of Environment [2a]
Ministry of Parks, Culture and Sport [2b]
Oil and Gas Orphan Fund
Operator Certification Board
Saskatchewan Technology Fund
Water Appeal Board
Water Security Agency

Health

eHealth Saskatchewan
Health Quality Council
Health Sector Affiliates [4]
- All Nations' Health Hospital Inc.
- Bethany Pioneer Village Inc.
- Circle Drive Special Care Home Inc.
- Cupar and District Nursing Home Inc.
- Duck Lake and District Nursing Home Inc.
- Foyer St. Joseph Nursing Home Inc.
- Jubilee Residences Inc.
- Lakeview Pioneer Lodge Inc.
- Lumsden & District Heritage Home Inc.
- Lutheran Sunset Home of Saskatoon
- Mennonite Nursing Homes Incorporated
- Mont St. Joseph Home Inc.
- Oliver Lodge
- Providence Place for Holistic Health Inc.
- Radville Marian Health Centre Inc.
- Raymore Community Health and Social Centre
- Salvation Army - William Booth Special Care Home
- Santa Maria Senior Citizens Home Inc.
- Saskatoon Convalescent Home
- Sherbrooke Community Society Inc.
- Société Joseph Breton Inc.
- Spruce Manor Special Care Home Incorporated
- St. Ann's Senior Citizens Village Corporation
- St. Anthony's Hospital
- St. Joseph's Hospital (Grey Nuns) of Gravelbourg
- St. Joseph's Hospital of Estevan
- St. Joseph's Integrated Health Centre of Macklin Inc.
- St. Paul Lutheran Home of Melville
- St. Peter's Hospital, Melville
- Strasbourg and District Health Centre Corp.
- Sunnyside Adventist Care Centre
- The Border-Line Housing Company (1975) Inc.
- The Qu'Appelle Diocesan Housing Company
- The Regina Lutheran Housing Corporation
- Ukrainian Sisters of St. Joseph of Saskatoon
- Warman Mennonite Special Care Home Inc.

Ministry of Health
Saskatchewan Association of Health Organizations Inc.
Saskatchewan Cancer Agency
Saskatchewan Health Authority
Saskatchewan Impaired Driver Treatment Centre Board of Governors

Protection of Persons and Property

Correctional Facilities Industries Revolving Fund
Criminal Property Forfeiture Fund
Financial and Consumer Affairs Authority of Saskatchewan
Integrated Justice Services
Law Reform Commission of Saskatchewan
Legislative Assembly and its Officers [2b]
Ministry of Corrections and Policing
Ministry of Government Relations [2b]
Ministry of Justice and Attorney General [2a]
Ministry of Labour Relations and Workplace Safety
Saskatchewan Public Safety Agency
Sask911 Account
Victims' Fund

Social Services and Assistance

Ministry of Advanced Education [2b]
Ministry of Government Relations [2b]
Ministry of Social Services
Saskatchewan Housing Corporation [1d]
Saskatchewan Legal Aid Commission

Transportation

Ministry of Government Relations [2b]
Ministry of Highways and Infrastructure [2a]
Transportation Partnerships Fund

Government Reporting Entity *(continued)* Schedule 18

Other [3]

Century Plaza Condominium Corporation
Crown Investments Corporation of Saskatchewan (separate)
Extended Health Care Plan for Certain Other Employees [1d]
Extended Health Care Plan for Certain Other Retired Employees [1d]
Legislative Assembly and its Officers [2a]
Ministry of Central Services
Ministry of Finance [2a]
Ministry of Government Relations [2b]
Ministry of Highways and Infrastructure [2b]
Ministry of Justice and Attorney General [2b]
Office of Executive Council
Public Employees Benefits Agency Revolving Fund
Public Employees Dental Fund [1d]
Public Employees Disability Income Fund [1d]
Public Employees Group Life Insurance Fund [1d]
Public Service Commission
Queen's Printer Revolving Fund
School Division Tax Loss Compensation Fund

Government Business Enterprises (Modified Equity)

Utilities Sector [3]

Saskatchewan Power Corporation
Saskatchewan Telecommunications Holding Corporation
Saskatchewan Water Corporation
SaskEnergy Incorporated

Insurance Sector [3]

Municipal Financing Corporation of Saskatchewan [1d]
Saskatchewan Auto Fund
Saskatchewan Government Insurance
Workers' Compensation Board (Saskatchewan) [1d]

Liquor and Gaming Sector [3]

Liquor and Gaming Authority
Saskatchewan Gaming Corporation

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1 The year-ends of certain entities differ from March 31, 2020: [a] April 30, 2019; [b] June 30, 2019; [c] August 31, 2019; [d] December 31, 2019.

2 Activities are allocated across more than one theme: [a] primary activity; [b] secondary activity.

3 For segment disclosure (*schedule 16)* these themes and Government Business Enterprise sectors are included in the General Government and Other segment.

4 Health Sector Affiliates are included in the government reporting entity for the first time in 2019-20 (*note 11*).

5 During 2019-20, North Central Trust Fund was created as a result of the termination of the Zelensky Bros. Forest Management Fund Trust Agreement.

6 During 2019-20, entity's name changed from Edgewood Forest Renewal Trust Fund.

Glossary of Terms

Accumulated (Deficit): The amount by which expense has exceeded revenue from the beginning of incorporation (1905) plus any adjustments that were charged directly to the accumulated deficit. It is calculated as the difference between total assets and liabilities.

Accumulated Surplus: The amount by which revenue has exceeded expense from the beginning of incorporation (1905) plus any adjustments that were charged directly to the accumulated surplus. It is calculated as the difference between total assets and liabilities.

Amortization: A systematic process of allocating an amount to revenue or expense over a period of time. Capital assets are amortized to expense over their expected remaining economic life. Actuarial gains and losses, such as those experienced by pension plans, are also amortized.

Amortized Cost: The initial cost of a security adjusted for the cumulative amortization of any purchase premium or discount, less any principal repayments.

Canada Health Transfer: A federal transfer provided, on an equal per capita cash basis, to jurisdictions in support of health care.

Canada Social Transfer: A federal transfer provided, on an equal per capita cash basis, to jurisdictions in support of post-secondary education, social assistance and social services, and early childhood development, early learning and childcare.

Capital Asset: An asset with physical substance held by the Government that has an economic life extending beyond one year, to be used on a continuing basis and is not for sale in the ordinary course of operations.

Capital Transfer: A grant provided to a third party such as a university or municipality to acquire or develop capital assets.

Consolidation: The method used to account for government service organizations (GSOs) in the Summary Financial Statements (SFS) in which the accounts of GSOs are adjusted to the basis of accounting described in note 1 of the SFS and then combined. Inter-organization balances and transactions are eliminated.

Contingency: A possible right to economic resources, or obligation that results in future sacrifice of economic benefits, arising from existing conditions or situations involving uncertainty.

Contractual Obligation: An obligation to others that will become a liability in the future when the terms of contracts or agreements are met.

Contractual Right: A right to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Debenture: A certificate of indebtedness where the issuer promises to pay interest and repay principal by a maturity date. It is usually unsecured, meaning there are no liens or pledges on any specific assets.

Debt: An obligation incurred through the issuance of debt instruments. Terms used when describing debt include:

Government business enterprise (GBE) specific debt is debt issued by GBEs and debt issued by the General Revenue Fund (GRF) specifically on behalf of a GBE where the government expects to realize the receivable from the GBE and settle the external debt simultaneously.

Gross debt is borrowings through the issuance of debt instruments such as promissory notes and debentures.

Sinking funds are funds set aside for the repayment of debt.

Public debt is gross debt net of sinking funds.

General debt is public debt net of loans to Crown corporations for GBE specific debt.

Guaranteed debt is the debt of others that the Government has agreed to repay if others default.

Deficit: The amount by which expense exceeds revenue for a fiscal period.

Derivative: A contract in which the value is based on the performance of an underlying financial asset, index or other investment. It does not require an initial investment and is settled at a future date.

Financial Asset: An asset that can be used to discharge existing liabilities or finance future operations and is not for consumption in the normal course of operations.

Financial Instrument: Any contract that gives rise to a financial asset of one party and a financial liability or equity instrument of another party.

Financing Charges: Costs associated with general debt, pension liabilities, obligations under long-term financing arrangements, such as public private partnerships, and capital lease obligations. Financing charges include interest, foreign exchange gains and losses, discounts, fees and commissions.

Fixed Rate: An interest rate that remains fixed either for an entire term or part of a term.

Floating Rate: An interest rate that changes on a periodic basis.

General Revenue Fund (GRF): The primary operational account for the Government through which all provincial monies under the direct authority of the Legislative Assembly are collected and disbursed.

Government Business Enterprise (GBE): An organization that is controlled by the Government, is self-sufficient and has the financial and operating authority to sell goods and services to individuals and organizations outside the government reporting entity as its principal activity. GBEs are recorded in the SFS using the modified equity method.

Government Partnership: A contractual arrangement between the Government and one or more partners outside the government reporting entity where the partners share, on an equitable basis, the risks and benefits of the partnership. Government partnerships are proportionately consolidated in the SFS.

Government Reporting Entity: A set of organizations that are either controlled by the Government (government service organizations and government business enterprises) or subject to shared control (government partnerships). Trusts administered by the Government are excluded from the government reporting entity.

Government Service Organization (GSO): An organization that is controlled by the Government, except those designated as GBEs or government partnerships. GSOs are consolidated in the SFS.

Gross Domestic Product (GDP): The standard measure of the overall size of an economy, the value of all goods and services produced during a given period.

Hedge: A strategy to minimize the risk of loss on an asset (or liability) from market fluctuations such as interest rate or foreign exchange rate changes. This is accomplished by entering into offsetting commitments with the expectation that a future change in the value of the hedging instrument will offset the change in the value of the asset (or liability).

Modified Equity: The method used to account for GBEs in the SFS. The Government's investment, which is originally recorded at cost, is adjusted annually to include the net earnings (losses) and other net equity changes of the GBE.

Net Debt: It is the difference between liabilities and financial assets and represents the future revenue required to pay for past transactions or events.

Net Realizable Value: The selling price of an asset less any costs incurred to make the sale.

Non-Financial Asset: An asset that is acquired, constructed or developed and does not normally provide resources to discharge existing liabilities.

Other Comprehensive Income (Loss) (OCI): OCI includes certain unrealized gains and losses of GBEs that are excluded from net income but recognized as a change in net debt and accumulated surplus during the period.

Pension Liability: An actuarial estimate of discounted future payments to be made to retirees under government pension plans, net of plan assets.

Premium/Discount: The amount by which the selling price of a security is greater or less than its par or face value.

Present Value: The current value of one or more future cash payments, determined by discounting the future cash payments using interest rates.

Proportionate Consolidation: The method used to account for government partnerships in the SFS in which the accounts of government partnerships are adjusted to the basis of accounting described in note 1 of the SFS and then the Government's proportionate share are combined. Inter-organization balances and transactions are eliminated.

Public Private Partnership (P3): A method of procuring infrastructure assets under a contractual arrangement in which a private contractor: provides some or all of the financing for the project; designs and builds the project, often providing operations and maintenance for the project; and receives payments over an extended period of time.

Related Party: A related party exists when one party has the ability to exercise control or shared control over the other. Two or more parties are related when they are subject to common control or shared control. Related parties also include key management personnel, their close family members and entities controlled by, or under shared control of, any of these individuals.

Remediation: The improvement of a contaminated site to prevent, minimize or mitigate damage to human health or the environment.

Restructuring Transaction: A transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities without consideration based primarily on the fair value of the individual assets and liabilities transferred.

Segment: A distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to help users of the SFS identify the resources allocated to support the major activities of a government.

Subsidiary: An organization that is wholly-owned or controlled by another organization.

Summary Financial Statements (SFS): The statements prepared to account for the full nature and extent of the financial activities of the Government.

Surplus: The amount by which revenue exceeds expense for a fiscal period.

Transfer: A transfer of money from a government to an individual, an organization or another government for which the government making the transfer does not: receive any goods or services directly in return, as would occur in a purchase/sale transaction; expect to be repaid, as would be expected in a loan; or expect a financial return, as would be expected in an investment.

Unrealized Foreign Exchange Gain (Loss): Potential gains and losses arise on foreign currency denominated monetary items when the exchange rate fluctuates. The unrealized foreign exchange gain (loss) represents the portion of this potential gain (loss) that has not been included in the accumulated surplus to date, but rather will be recognized over the remaining life of the monetary item.