Public Accounts 2020-21

Volume 1

Summary Financial Statements

Government of Saskatchewan

2020-21 Public Accounts of Saskatchewan
Volume 1

Contents

Regina, Saskatchewan
June 2021

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, 2021.

Respectfully submitted,

Donna Harpauer

DONNA HARPAUER
Deputy Premier and
Minister of Finance

Regina, Saskatchewan
June 2021

The Honourable Donna Harpauer
Deputy Premier and
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, 2021.

Respectfully submitted,

RUPEN PANDYA
Deputy Minister of Finance

Terry Paton

TERRY PATON
Provincial Comptroller

Introduction to the Public Accounts

The 2020-21 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 the Compendiums, are available on the Government of Saskatchewan's website.

The Compendium of Financial Statements 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.

The Compendium of Payee Details contains the payee details of all Summary Financial Statement entities, except Crown Investments Corporation of Saskatchewan and its subsidiaries.

In addition, the financial statements and payee details 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 has significantly impacted the Government's fiscal results for the year ended March 31, 2021, the first full year operating in a COVID-19 environment since the global pandemic was declared. This impact is attributed to the negative impact that the pandemic has had on the economy, the cost of health and safety measures taken and the provision of financial support. The Government reported a deficit of $1.13 billion, $808 million greater than the prior-year deficit but $1.30 billion less than budgeted.

Revenue was $363 million less than the prior year, largely due to significant decreases in taxation and non-renewable resources revenue as a result of the COVID-19 pandemic. A decline in economic activity and the public health restrictions caused a deterioration in consumption, corporation income and individual income taxes. Decreases in global commodity prices resulted in lower non-renewable resource revenue. These decreases were partially offset by an increase in net income from Government Business Enterprises (GBEs) and COVID-related increases in transfers from the federal government. Compared to budget, revenue was $875 million greater than expected due to favorable variances in net income from GBEs and transfers from the federal government. There was also higher-than-budgeted consumption tax revenue, oil and natural gas revenue and forestry fees, primarily due to higher-than-expected prices and demand. These favorable variances were partially offset by lower-than-expected corporate and individual income tax revenue and declines in potash and other non-renewable resource revenue.

Expenses for the year were $444 million greater than the prior year, primarily due to COVID-related health and safety spending and financial support programs provided by the Government. These increases were partially offset by a decrease in pension expense, primarily due to changes in actuarial assumptions, and decreases in crop insurance claims resulting from favorable crop conditions. Expenses were $424 million lower than budget, largely due to lower-than-budgeted crop insurance claims, partially offset by unbudgeted COVID-related expenses.

The Government continued to invest in the Province's infrastructure, with significant investment in electricity generation, transmission and distribution assets, in communication networks as well as in investments through the Saskatchewan Capital Plan. The $2.47 billion capital investment during 2020-21 will provide stimulus funding to strengthen the economy, help the Government meet the challenges of a growing province and improve safety.

The Government's overall financial position as at March 31, 2021 is an accumulated deficit of $1.37 billion.

Highlights

At a Glance

Financial Results

(millions of dollars)

	2021		2020	Increase (Decrease) from	
	Budget	Actual	Actual	Budget	2020 Actual
Revenue	13,649	14,524	14,887	875	(363)
Expense	16,075	15,651	15,206	(424)	444
Deficit	(2,426)	(1,127)	(319)	(1,299)	808
Net Debt	(15,122)	(13,683)	(12,289)	(1,439)	1,394
Accumulated Deficit	(2,617)	(1,368)	(191)	(1,250)	1,176

Totals may not add due to rounding.

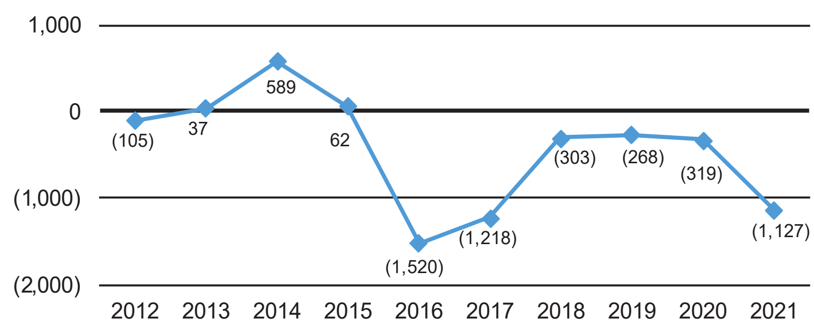
Highlights

(Deficit) Surplus

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

(Deficit) Surplus

(millions of dollars)



The 2020-21 SFS report a deficit of $1.13 billion, a $808 million increase over the $319 million deficit reported in the previous year. The year-over-year increase in deficit is mainly attributable to an overall increase in expenses and an overall decrease in revenues. Notable increases in expenses were experienced in the health, economic development and community development themes, partially offset by decreases in the education, general government and agriculture themes. Notable decreases in revenue include taxation and non-renewable resources revenue partially offset by increases in transfers from the federal government and net income from government business enterprises (GBEs).

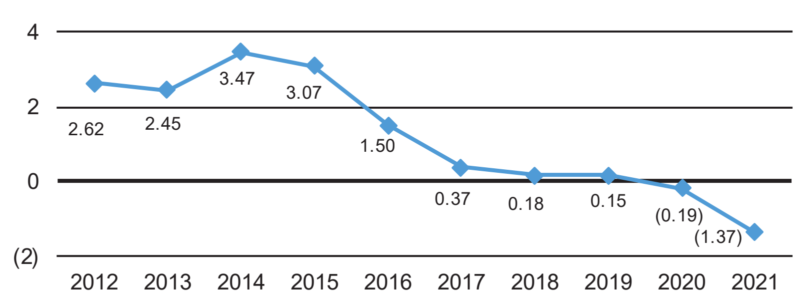
Compared to the budget, the deficit is $1.30 billion lower than expected. The improvement over budget is mainly attributable to higher-than-budgeted revenue and lower-than-budgeted expenses. All revenue categories were greater-than-budgeted except for taxation. Lower-than-budgeted agriculture, environment and natural resources and education expenses were partially offset by greater-than-budgeted health 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.

Accumulated (Deficit) Surplus

(billions of dollars)



At March 31, 2021, the Government reported an accumulated deficit of $1.37 billion, a $1.18 billion increase from the previous year's accumulated deficit. The accumulated deficit is $1.25 billion lower than budgeted. The increase over the prior year was mainly due to the $1.13 billion deficit. The decrease from budget was mainly the result of the lower-than-budgeted deficit.

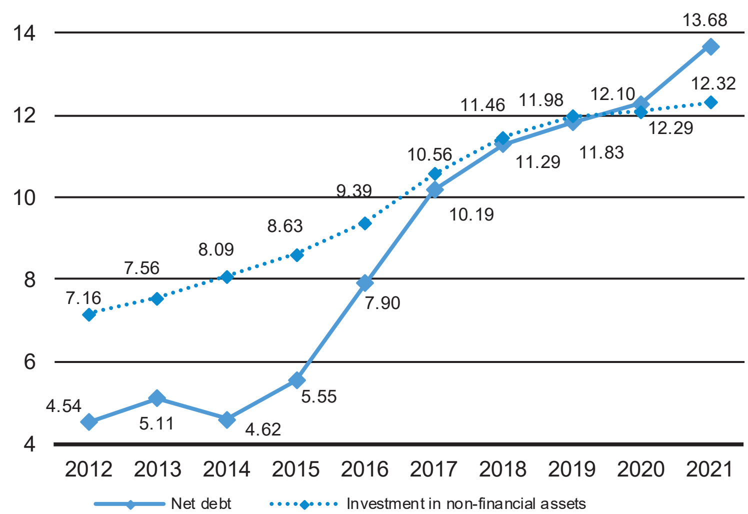
Highlights

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, 2021 is $13.68 billion, an increase of $1.39 billion over the prior year. The year-over-year increase in net debt is primarily due to the deficit reported in the current year.

Net debt is $1.44 billion less than budgeted, primarily due to the lower-than-expected deficit reported in the current year.

The net debt of the SFS is:

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

Net Debt Components

(millions of dollars)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Accumulated (deficit) surplus	2,617	2,449	3,469	3,074	1,495	372	176	155	(191)	(1,368)
Investment in non-financial assets	(7,161)	(7,558)	(8,085)	(8,626)	(9,394)	(10,564)	(11,464)	(11,984)	(12,098)	(12,315)
Net Debt	(4,543)	(5,109)	(4,615)	(5,552)	(7,899)	(10,192)	(11,288)	(11,829)	(12,289)	(13,683)

Totals may not add due to rounding.

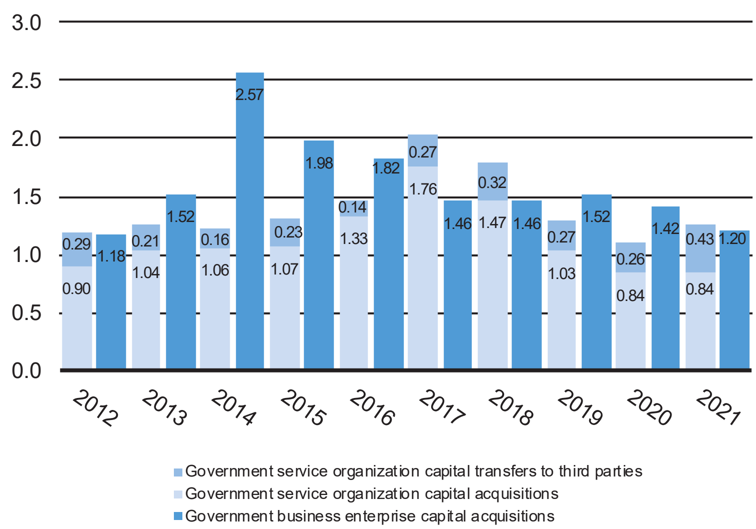
Highlights

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 2020-21, the Government invested $2.04 billion in government-owned infrastructure: $1.20 billion for government business enterprises (GBEs) to build new and maintain existing infrastructure; and $837 million to meet the capital requirements of government service organizations (GSOs). In addition, $426 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 $2.83 billion and was $725 million less than budgeted.

Impact of COVID-19 Pandemic

The COVID-19 pandemic has significantly impacted the Government's fiscal results for the year ended March 31, 2021, the first full year operating in a COVID-19 environment since the global pandemic was declared. This impact is attributed to the negative impact that the pandemic has had on the economy, the cost of health and safety measures taken and the provision of financial support.

The negative impact the pandemic has had on the economy had the greatest impact on the Province's fiscal results and includes:
- a decline in revenue, notably taxation and non-renewable resources; and
- stimulus spending in the form of infrastructure funding, rebates and tax credits to aid economic recovery.

Health and safety measures, with assistance from the federal government, were implemented. The measures taken:
- provided testing and contact tracing;
- supplied personal protective equipment;
- delivered vaccines;
- addressed health care system capacity shortages;
- provided support for a safe return to classrooms;
- controlled and prevented infections in vulnerable populations;
- supported municipalities in their response to COVID-19; and
- imposed public health orders and closures.

Financial support programs were delivered to sectors most impacted by pandemic-related public health orders and closures, including the:
- Saskatchewan small business emergency payment program;
- emergency pandemic response gaming partner grants;
- small business tax rate reduction;
- Saskatchewan tourism sector support program;
- oil and gas sector tax relief; and
- self-isolation support program.

Highlights

Impact of COVID-19 Pandemic *(continued)*

Financial support programs, with assistance from the federal government, were delivered including the:
- Saskatchewan temporary wage supplement program; and
- Canada emergency commercial rent assistance.

The unprecedented and evolving nature of the COVID-19 pandemic continues to provide a level of uncertainty in the Government's financial position and operating results.

Credit Rating

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.

Credit Ratings – March 2021

	Rating Agency[1]		
Jurisdiction	Moody's Investors Service Inc.	Standard & Poor's	DBRS Morningstar
British Columbia	Aaa	AAA (neg)	AA (high)
Alberta	Aa3	A+ (neg)	AA (low) (neg)
Saskatchewan	Aaa (neg)	AA	AA (low)
Manitoba	Aa2	A+	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	A
Newfoundland & Labrador	A1 (neg)	A (neg)	A (low) (neg)

Ratings reflect the latest credit ratings available at March 31, 2021.

[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-.

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

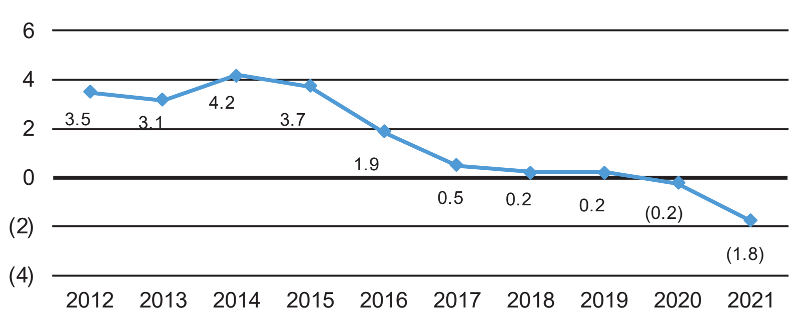
Vulnerability
- Non-renewable resources revenue to total expense
- Transfers from the federal government to total revenue
- Foreign currency debt to net debt

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

(per cent)



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.

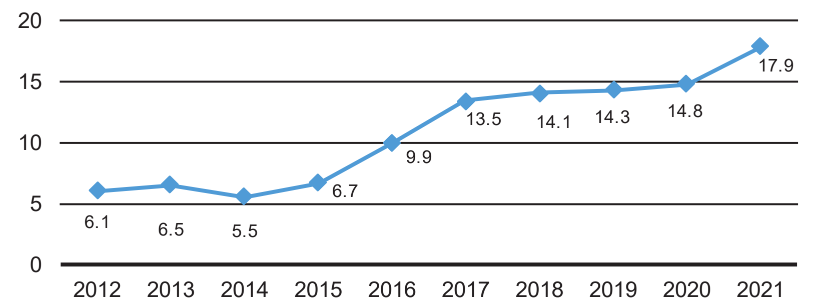
The relatively stable ratio from 2011-12 to 2014-15 indicates the Government's overall fiscal policies over this period matched the rate of economic growth in the Province. The decrease in this ratio in 2015-16 and 2016-17 is mainly a result of market-driven variables, such as low oil prices. The return 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 this ratio in 2020-21 is primarily due to the adverse effect of the COVID-19 pandemic on government operations and the economy, negatively impacting both the accumulated deficit and the Province's GDP.

Assessment of Fiscal Health

Sustainability (*continued*)

Net Debt to the Province's GDP

(per cent)

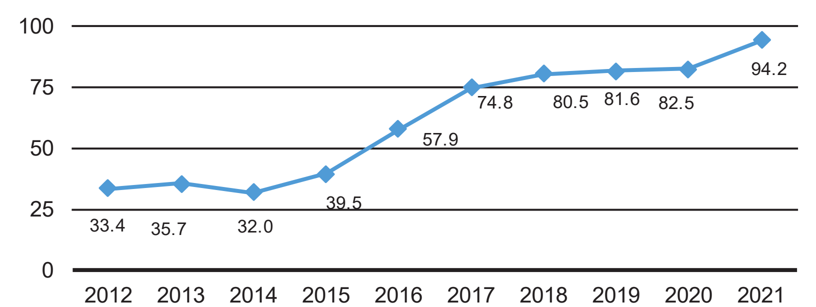


Net debt is the difference between a government's financial assets and liabilities and represents the future revenue that is required to pay for past transactions and events. Net debt as a percentage of the Province's GDP provides a measure of the level of financial demands placed on the economy by the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

The relatively stable ratio from 2011-12 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. A rise in this ratio in 2020-21 is primarily due to the adverse effect of the COVID-19 pandemic on government operations and the economy, negatively impacting both net debt and the Province's GDP.

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.

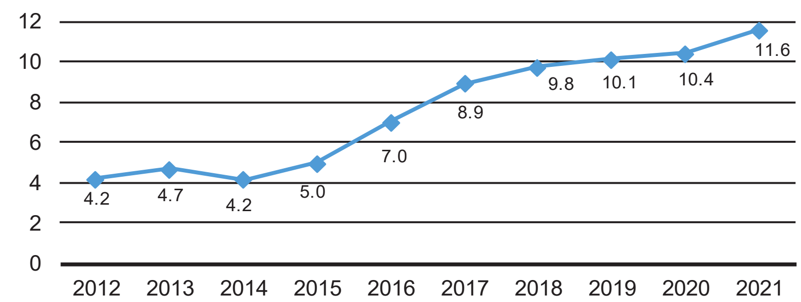
Over the last ten years, the Government's net debt as a percentage of total revenue has increased from 33.4 per cent in 2011-12 to 94.2 per cent in 2020-21. The overall increase in this ratio during this period is primarily the result of the Government's significant investment in capital. The fall in 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. A rise in this ratio in 2020-21 is primarily due the adverse effect of the COVID-19 pandemic on government operations and the economy, negatively impacting both net debt and total revenues.

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.

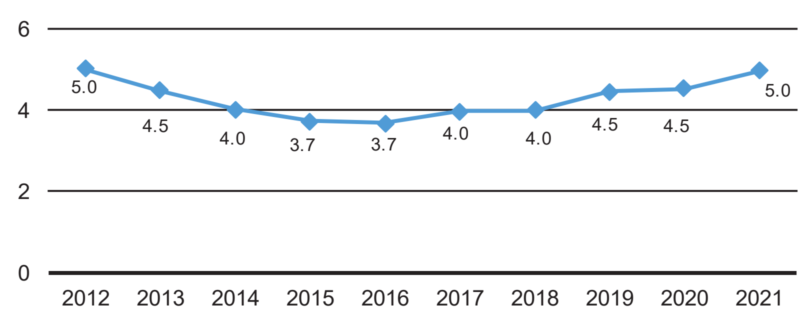
The overall increase in this ratio over the last ten years is a result of an increase in net debt that exceeds the growth in the Province's population over the same period. The rise in this ratio from 2014-15 to 2016-17 indicates that the annual increase in the Province's population in those years was 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 rise in this ratio in 2020-21 is primarily due to the adverse effect of the COVID-19 pandemic on government operations and the economy, negatively impacting net debt.

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)



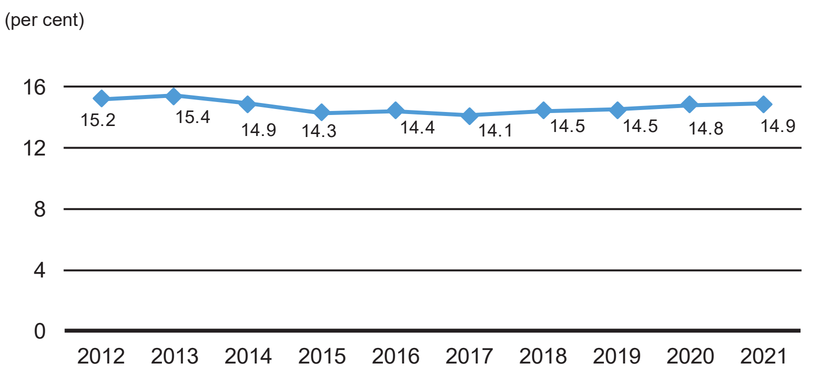
A financing charges to total revenue ratio, often referred to as the interest bite, indicates the proportion of provincial revenue that is required to pay interest charges on general debt and therefore is not available to pay for essential public services and programs. A lower ratio means that there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

Between 2011-12 and 2019-20, there was an overall decrease in the interest bite mainly due to increased revenue. A rise in this ratio in 2020-21 is due to both an increase in interest costs and a decrease in total revenue. Interest costs in the current year have increased primarily due to COVID-related borrowing. Total revenue has decreased primarily due to the adverse impact of the COVID-19 pandemic on the provincial economy. In 2020-21, the Government spent approximately 5.0 cents of each dollar of revenue on financing charges on general debt.

Assessment of Fiscal Health

Flexibility (*continued*)

Own-Source Revenue to the Province's GDP



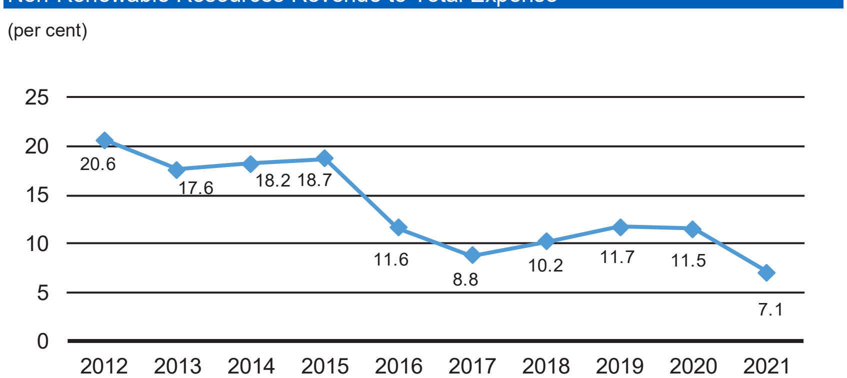
Own-source revenue as a percentage of GDP has remained relatively constant over the last ten years indicating that the Government has not significantly changed its demands on the provincial economy over this time. This ratio is almost constant, which indicates that the Government's flexibility is relatively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



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 overall increase in the indicator from 2016-17 to 2019-20 is a result of strengthening non-renewable resource revenue and favorable crop insurance claims and pension adjustments. A decline in this ratio in 2020-21 is primarily due to the adverse effect of the COVID-19 pandemic on the economy and government operations. The pandemic negatively impacted non-renewable resources revenue and resulted in an increase in total expenses.

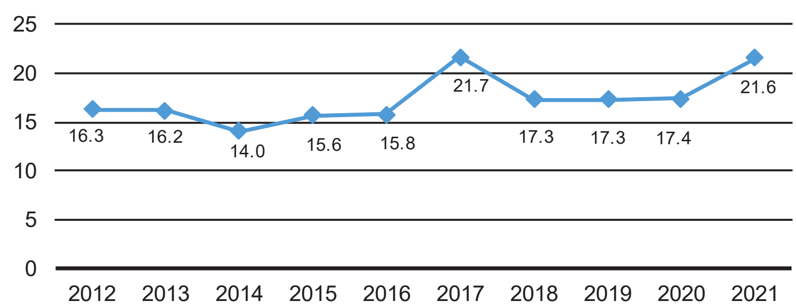
Non-renewable resources revenue is affected by price and sales factors which are beyond a government's direct control. Non-renewable resources revenue as a percentage of total expense is therefore an indicator of how vulnerable the Province is as a result of its dependence on non-renewable resources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

Assessment of Fiscal Health

Vulnerability (*continued*)

Transfers from the Federal Government to Total Revenue

(per cent)



In 2020-21, 21.6 per cent of the Government's revenue came from transfers from the federal government with the remainder coming from Saskatchewan sources. Between 2011-12 and 2019-20, the Government's ability to fund essential programs and services from own-source revenue has remained fairly stable with the exception of significant one-time infrastructure transfers from the federal government received during 2016-17. An increase in this ratio in 2020-21 is primarily due to the adverse impact of the COVID-19 pandemic on the economy and the resulting support received from the federal government.

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, 2021, 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.

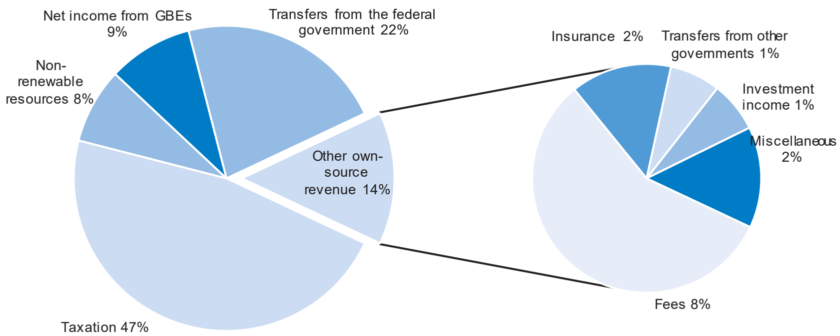
Details

Revenue

Total revenue was $14.52 billion in 2020-21, 21.6 per cent of which represents transfers from the federal government and the remaining 78.4 per cent own-source revenue.

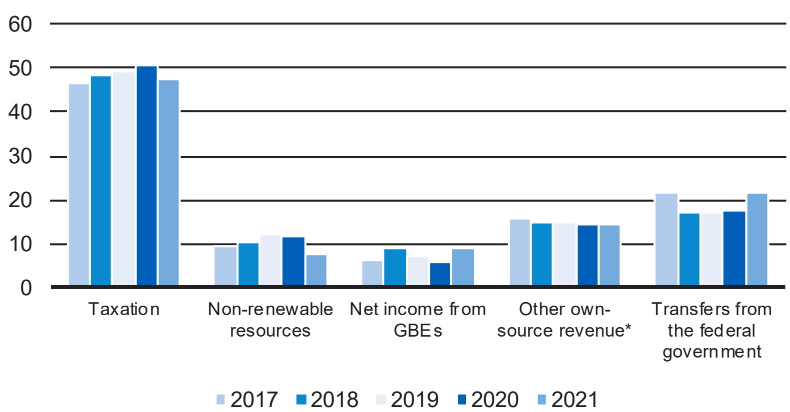
Revenue by Source – 2020-21 ($14.52 billion)

(per cent)



Revenue by Source – Percentage of Total Revenue

(per cent)



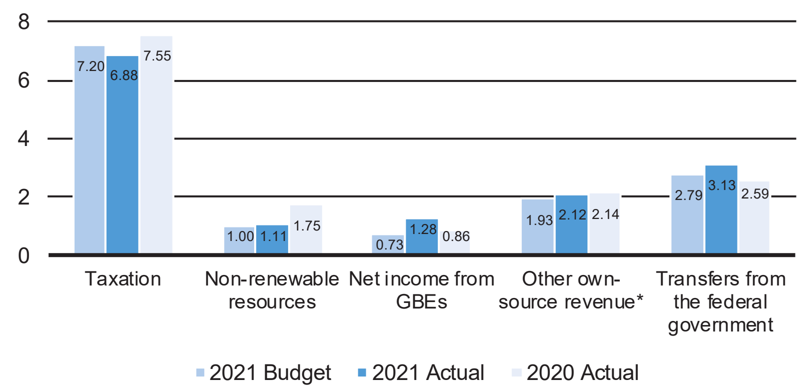
* In 2020-21, key components of "other own-source revenue" include fees (8%), insurance (2%), investment income (1%), and transfers from other governments (1%).

Details

Revenue (*continued*)

Revenue by Source – Comparison to Budget and Prior Year

(billions of dollars)



* In 2021 Actual, key components of “other own-source revenue” include fees ($1.18 billion), insurance ($274 million), investment income ($151 million), and transfers from other governments ($82 million).

Total revenue of $14.52 billion in 2020-21 represents a year-over-year decrease of $363 million, or 2.4 per cent. This decrease was a result of significant decreases in taxation and non-renewable resources revenue, partially offset by increases in transfers from the federal government and net income from Government Business Enterprises (GBEs).

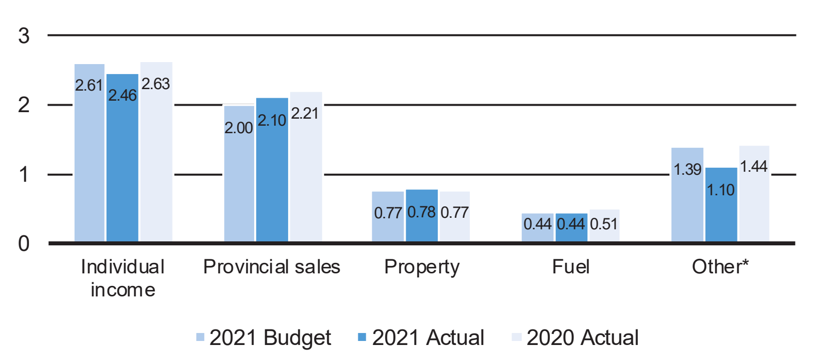
Revenue was greater than budget by $875 million, or 6.4 per cent. There was an increase over budget in all but taxation revenue, with the most notable increases in net income from GBEs and transfers from the federal government.

Details

Revenue (*continued*)

Taxation Revenue – Comparison to Budget and Prior Year

(billions of dollars)



* In 2021 Actual, key components of "other" include corporation income ($440 million) and tobacco ($204 million).

Taxation revenue was $6.88 billion in 2020-21, a decrease of $671 million, or 8.9 per cent, from 2019-20 and $321 million, or 4.5 per cent, from budget. The $671 million decrease from prior year was largely due to a decrease in corporation and individual income taxes, provincial sales tax and fuel tax. The $321 million budget shortfall is largely attributable to lower-than-expected corporation and individual income taxes, partially offset by greater-than-expected provincial sales tax revenue.

Individual income tax

Actual to Prior Year
$166 million
6.3%

Actual to Budget
$142 million
5.5%

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

- a deterioration in prior-year adjustment payments due to lower prior-year assessments; and
- a decrease in current-year payments partly due to the October 2020 implementation of the Saskatchewan Home Renovation Tax Credit.

Provincial sales tax

Actual to Prior Year
$105 million
4.8%

Actual to Budget
$105 million
5.2%

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

- a COVID-related deterioration in the sales tax base reflecting a decline in economic activity; and
- a first-time reduction of sales tax on tangible capital asset acquisitions of certain public sector entities.

The actual-to-budget increase is primarily due to:

- higher-than-budgeted retail sales activity, partially offset by;
  - an unbudgeted reduction of sales tax on tangible asset acquisitions of certain public sector entities.

Property tax

Actual to Prior Year
$5 million
0.7%

Actual to Budget
$12 million
1.6%

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

- an increase in the property tax base.

Fuel tax

Actual to Prior Year
$66 million
13.0%

Actual to Budget
$2 million
0.5%

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

- a decline in consumption, particularly gasoline and diesel.

The decrease from budget is nominal.

Other tax *(including corporation income, tobacco and other miscellaneous tax)*

Actual to Prior Year
$339 million
23.6%

Actual to Budget
$293 million
21.1%

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

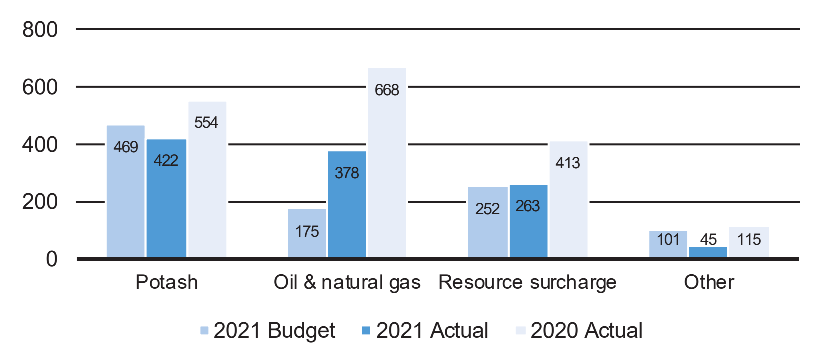
- a deterioration in corporate income tax revenue primarily due to an unbudgeted accrual of a liability related to prior year assessments, a decrease in current year payments and a temporary elimination of the small business tax effective October 2020;
- year-over-year increase in cannabis excise tax, reflecting increased consumption; and
- higher-than-budgeted liquor consumption tax due to higher-than-expected consumption.

Details

Revenue (*continued*)

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

(millions of dollars)



In 2020-21, non-renewable resources revenue was $1.11 billion, a decrease of $643 million, or 36.7 per cent, over 2019-20 and a $110 million, or 11.1 per cent, increase when compared to budget. There was a year-over-year decrease in all non-renewable resources revenue categories with the most significant decreases in oil and natural gas, resource surcharge and potash. The increase from budget is largely attributable to greater-than-expected oil and natural gas revenue, partially offset by lower-than-expected potash and other non-renewable resources revenue.

Potash

Actual to Prior Year	Actual to Budget
$133 million 24.0%	$48 million 10.2%

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

- a decrease in the average mine netback price from $490 per K_2O tonne in 2019-20 and $434 per K_2O tonne at budget to $390 per K_2O tonne in 2020-21.

This decrease is partially offset by:

- an increase in sales volume of 14.1 million K_2O tonnes in 2020-21 compared to 12.7 million K_2O tonnes in the prior year and 13.9 million K_2O tonnes at budget.

Oil & natural gas

Actual to Prior Year	Actual to Budget
$290 million 43.4%	$203 million 116.0%

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

- a lower average Canadian dollar well-head oil price in Saskatchewan of $36.54 per barrel in 2020-21, compared to $52.54 per barrel in the prior year. 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 higher average exchange rate; partially offset by
  - a lower average light-heavy oil blend differential.
- a decline in oil production.

The actual-to-budget increase is primarily due to:

- a greater-than-budgeted average Canadian dollar well-head oil price in Saskatchewan of $36.54 per barrel, compared to the $21.00 per barrel at budget. This increase is due to:
  - a higher-than-budgeted average U.S. dollar WTI oil price;
  - a lower-than-budgeted light-heavy oil blend differential; partially offset by
  - a higher-than-budgeted average exchange rate.
- higher-than-budgeted oil production.

Resource surcharge

Actual to Prior Year	Actual to Budget
$150 million 36.3%	$11 million 4.3%

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

- a decrease from the oil and gas and potash sectors, largely reflecting lower oil and potash prices; and
- a decrease from uranium sector primarily due to the impact of the Cigar Lake mine closures.

The actual-to-budget increase is primarily due to:

- an increase from the oil and gas sector, mainly due to greater-than-expected WTI oil prices.

This increase is partially offset by:

- a decrease from the potash sector, mainly reflecting lower-than-budgeted average potash prices; and
- a decrease from the uranium sector primarily due to the greater-than-budgeted impact of the Cigar Lake mine closures.

Details

Revenue (*continued*)

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

Actual to Prior Year	Actual to Budget
$70 million	$56 million
60.9%	55.4%

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

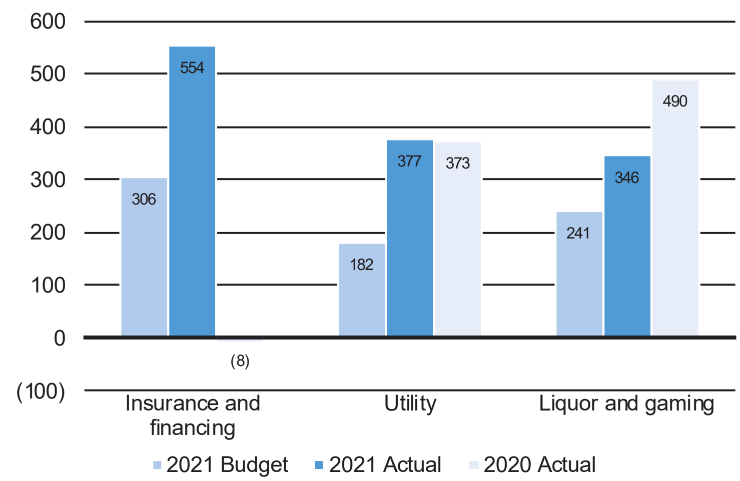
- a decrease in uranium royalties primarily due to the impact of the Cigar Lake mine closures; and
- a decrease in crown land sales due to a reduction in both hectares sold and the average price per hectare reflecting the impact of the pandemic on capital markets and the low oil price environment.

Details

Revenue (*continued*)

Net Income from GBEs – Comparison to Budget and Prior Year

(millions of dollars)



Net income from Government Business Enterprises (GBEs) was $1.28 billion in 2020-21, an increase of $423 million, or 49.4 per cent, over 2019-20 and $549 million, or 75.4 per cent, over budget. The increase over prior year was primarily due to an increase in insurance and financing sector. Better-than-expected net income in each of the GBE sectors contributed to the increase over budget.

Insurance and financing

Actual to Prior Year	Actual to Budget
$563 million	$249 million
6,877.1%	81.3%

The increase over prior year is primarily due to:

- unprecedented investment returns resulting largely from a significant rebound in equity markets following the COVID-related market volatility experienced in March 2020;
- an improvement in underwriting results for auto insurance in which there were fewer claims attributed to a reduction of vehicles on roads during the COVID-related economic slowdown; and
- growth in premiums written.

These year-over-year increases are partially offset by:

- a one-time rebate to the motoring public of Saskatchewan; and
- an increase in other claims costs largely attributed to a catastrophic winter storm as well as COVID-related return-to-work barriers for injured workers that increased the average duration of wage-loss benefits.

The increase over budget is primarily due to:

- better-than-anticipated investment income as budgets did not anticipated the magnitude of the equity market rebound following the initial market reaction to the declaration of a global pandemic; and
- lower-than-expected auto claims related to fewer vehicles on the roads.

These increases over budget are partially offset by:

- an unbudgeted rebate to the motoring public; and
- higher-than-anticipated on-the-job injury claims mainly resulting from COVID-related return-to-work barriers.

Utility

Actual to Prior Year	Actual to Budget
$4 million	$196 million
1.1%	107.6%

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

- an increased margin on natural gas sales resulting from favorable year-over-year market value adjustments;
- improved telecommunication results associated with continued wireless adoption and wireline growth services reflecting a growing subscriber base with subscribers opting for services delivered over a fibre network;
- extraordinary sales volumes in export electricity sales and trading resulting from winter storms that had widespread impacts on North American electricity markets; and
- a favorable ruling by an arbitration panel in relation to a contractual dispute resulting in a cash award.

Details

Revenue (*continued*)

Utility (continued)

These year-over-year increases are partially offset by:

- a net increase in fuel and purchased power costs resulting from higher fuel prices including the federal carbon charge, an unfavorable change in the fuel mix and cost savings associated with lower generation volumes;
- lower electricity sales, particularly in the oilfield and commercial customer classes, largely offset by higher residential and farm consumption;
- an increase in capital related costs for ongoing capital expenditure, particularly for electricity and gas generation, transmission and distribution assets as well as the expansion of the province's fibre footprint; and
- forgone revenue for customer relief programs in response to the COVID-19 pandemic.

The increase over budget is primarily due to:

- higher-than-budgeted electricity sales, net of related costs, attributable to greater-than-expected demand for in-province and export sales;
- greater-than-expected profits from the sale of wireless telecommunication equipment together with stronger-than-expected wireless growth;
- an unbudgeted arbitral award resulting from a favorable ruling on a contractual dispute; and
- higher-than-expected customer capital contributions related to the completion of capital projects during the year.

Liquor and gaming

Actual to Prior Year	Actual to Budget
↓ $144 million 29.4%	↑ $105 million 43.6%

The year-over-year decline is primarily a result of:

- COVID-related public health measures including shutdowns of casinos and video lottery terminals (VLTs) over the course of the year.

These year-over-year decreases were partially offset by:

- an increase in liquor sales over the prior year.

The increase over budget is primarily due to:

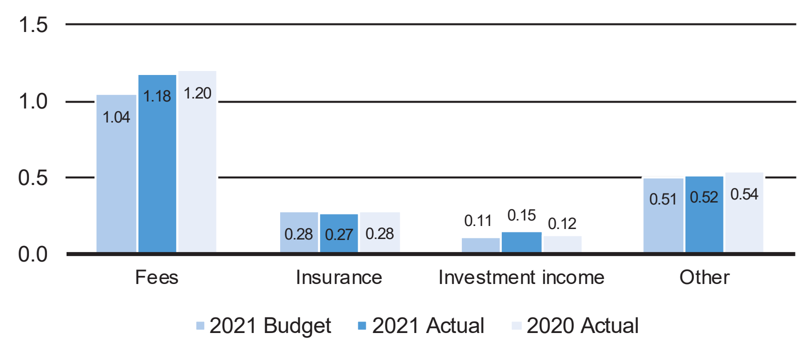
- higher-than-expected liquor sales and VLT profits.

Details

Revenue (*continued*)

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

(billions of dollars)



Other own-source revenue was $2.12 billion in 2020-21. The year-over-year decrease of $15 million, or 0.7 per cent, was primarily due to decreases in other revenue and fees, partially offset by an increase in investment income.

When compared to budget, other own-source revenue increased by $190 million, or 9.8 per cent, representing higher-than-expected fees and investment income.

Other own-source

Actual to Prior Year
$15 million
0.7%

Actual to Budget
$190 million
9.8%

The year-over-year and actual-to-budget changes are due to:

- the impact of COVID-19 resulting in:
  - reduced ancillary and out-province/country healthcare fees as well as tuition fees related to restrictions on services;
  - less fines, forfeits and penalties revenue in the court system;
  - an increase in investment income in the public employees' benefit plans primarily due to improvements in the current year market performance compared to the market volatility of the first quarter of 2020; and
  - additional revenue related to the donation of personal protective equipment.
- a decrease in donations revenue, mainly due to the completion of the Jim Pattison Children's Hospital in the prior year;
- a decrease in motor vehicle fees;
- an increase in forestry revenue reflecting increased demand and improved commodity prices;
- an increase in bottle deposits revenue due to a lower percentage of containers returned for refunds; and
- increased lottery profits.

The year-over-year decrease was additionally impacted by:

- a decrease in gaming revenue due to COVID-related closure of gaming establishments;
- a decrease in agricultural land sales; and
- a decrease in immigration deposit forfeitures.

The increase over budget was additionally impacted by:

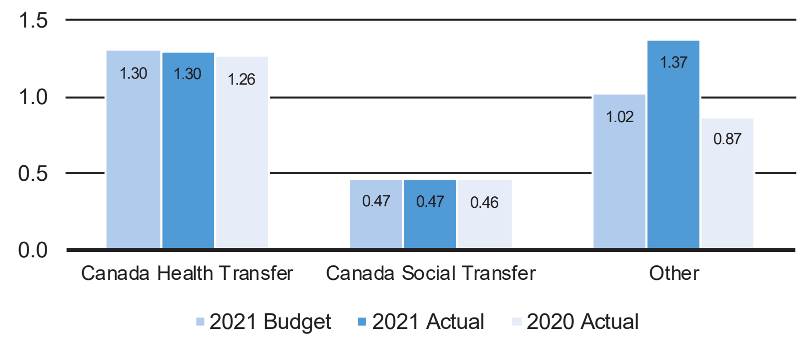
- greater-than-budgeted increases in prior-year refunds and casual revenue;
- unbudgeted revenue resulting from a delay in the transfer of the securities division in the Financial and Consumer Affairs Authority to a national regulator; and
- higher-than-budgeted sinking fund earnings.

Details

Revenue *(continued)*

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

(billions of dollars)



Federal transfers were $3.13 billion in 2020-21, an increase of $543 million, or 21.0 per cent, over 2019-20 and $346 million, or 12.4 per cent, when compared to budget. The year-over-year and actual-to-budget increases were mainly due to COVID-related funding.

Canadian Health Transfer

Actual to Prior Year	Actual to Budget
↑ $34 million 2.7%	↓ $5 million 0.4%

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 three-year moving average of the Canadian 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	Actual to Budget
↑ $9 million 2.0%	↓ $2 million 0.4%

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	Actual to Budget
↑ $500 million 57.5%	↑ $354 million 34.8%

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

- COVID-related funding largely comprised of:
    - Saskatchewan's share of the Safe Restart Agreement and Safe Return to Class Fund;
    - funding for the new Accelerated Site Closure Program for the reclamation of inactive oil wells. This funding was less than budgeted due to fewer-than-expected projects being completed; and
    - funding for the new Saskatchewan Temporary Wage Supplement program.
- an increase in funding for various infrastructure programs. The year-over-year increase was primarily due to an increase in eligible expenditures under the Investing in Canada Infrastructure Program with 2020-21 being the first full year of the program. Despite the year-over-year increase, funding was less-than-budgeted due to slower-than-expected progress on projects;
- an unbudgeted increase for the finalization of Saskatchewan's claim under the federal Fiscal Stabilization Program related to the 2016-17 fiscal year;
- a one-time supplement to the Workforce Development Agreement; and
- a year-over-year increase in French language funding due to eligibility requirements being met in the current year.

These increases were partially offset by:

- a year-over-year decrease due to one-time Gas Tax program funding received in the prior year;
- a year-over-year decrease in federal disaster assistance funding;
- a year-over-year decrease in AgriStability funding due to an improvement in crop prices and the movement of products. Despite the year-over-year decrease, funding was greater-than-budgeted; and
- lower federal contributions to crop insurance premiums, as a result of a shift in crop mix and lower insured acres on the part of producer.

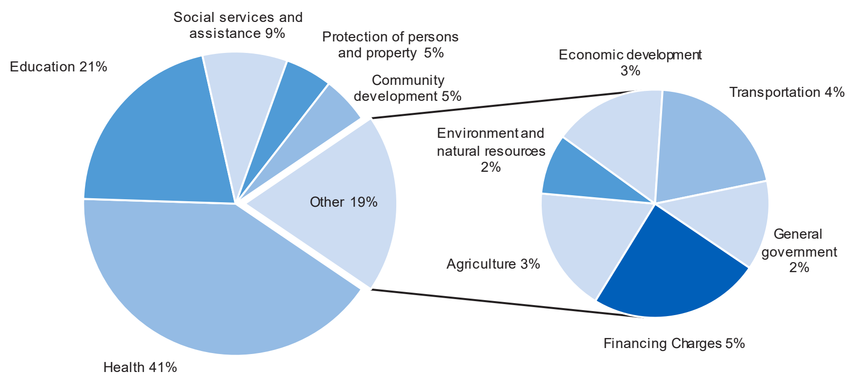
Details

Expense

Total expense was $15.65 billion in 2020-21, 61.4 per cent 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.

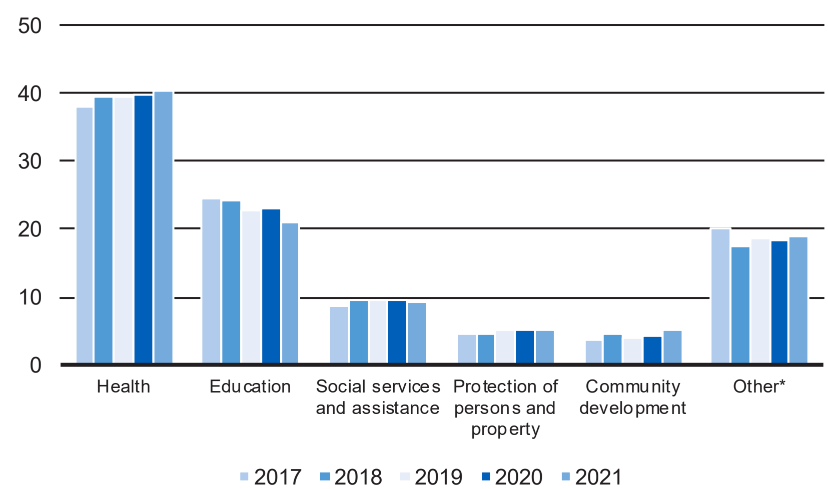
Expense by Theme – 2020-21 ($15.65 billion)

(per cent)



Expense by Theme – Percentage of Total Expense

(per cent)



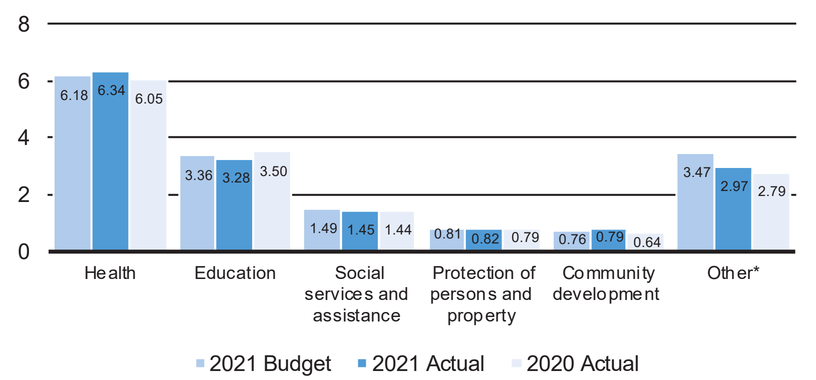
* In 2020-21, key components of "other" include financing charges (5%), transportation (4%), agriculture (3%), economic development (3%), general government (2%) and environment and natural resources (2%).

Details

Expense *(continued)*

Expense by Theme – Comparison to Budget and Prior Year

(billions of dollars)



* In 2021 Actual, key components of "other" include financing charges ($721 million), transportation ($617 million), agriculture ($526 million), economic development ($478 million), general government ($379 million), and environment and natural resources ($255 million). The 2021 Budget for "other" includes a $200 million health and public safety contingency as a measure of prudence in the event of a possible resurgence of the COVID-19 pandemic. Actual expenses are presented within the themes to which they relate.

Total expense was $15.65 billion in 2020-21. This represents an increase of $444 million, or 2.9 per cent, over the prior year. The most notable increases were in the health, economic development and community development themes primarily due to COVID-related expenses.

The total expense reported in 2020-21 was $424 million, or 2.6 per cent, less than the budget. The decrease from budget was primarily due to lower-than-budgeted agriculture expenses, primarily due to favorable crop and harvest conditions.

Health

Actual to Prior Year
$287 million
4.7%

Actual to Budget
$162 million
2.6%

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

- COVID-related measures, partially from utilization of the Safe Restart Agreement, primarily comprised of:
    - incremental compensation for health care workers;
    - increased usage of medical, surgical and laboratory supplies;
    - purchases of minor equipment and leased space to accommodate and treat COVID patients;
    - equipment and software to support remote working conditions;
    - purchases of personal protective equipment;
    - cohorting and screening at long-term care homes; and
    - screening and testing services.
- collective bargaining agreement increases to salaries and benefits;
- additional staffing of physicians; and
- additional spending on drugs due to increase in price and utilization.

These increases were partially offset by:

- savings from COVID-related service slowdowns where there were temporarily lower utilization rates for certain services including out-of-province, physician and other hospital services.

Details

Expense (*continued*)

Education

Actual to Prior Year	Actual to Budget
↓ \$225 million 6.4%	↓ \$85 million 2.5%

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

- a decrease in pension costs for Teacher's Superannuation Plan (TSP) due to gains arising from changes in actuarial assumptions, including higher interest rates.

This decrease was partially offset by:

- COVID-related increases in expenses largely comprised of:
  - utilization of the Province's share of the Safe Return to Class Fund, partially offset by operational savings resulting from temporary school closures; and
  - higher childcare support, primarily from the utilization of Safe Restart Agreement.

The decrease from budget is mainly attributed to:

- lower-than-expected pension costs for TSP primarily due to gains arising from changes in actuarial assumptions, including higher-than-expected interest rates; and
- unbudgeted savings as a result of temporary closures of K-12 schools and post-secondary institutions due to the COVID-19 pandemic.

Social services and assistance

Actual to Prior Year	Actual to Budget
↑ \$12 million 0.8%	↓ \$42 million 2.8%

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

- increased spending in various disability and child and family programs to:
  - address emerging needs, changes in service levels and other enhancements for disability programs and services; and
  - address utilization pressures to create new group home spaces and provide other service enhancements for child and family services.
- COVID-related costs associated with the hotel isolation program; and
- increased social housing maintenance, utility and insurance premiums.

These increases were mostly offset by:

- lower utilization of the Income Assistance programs resulting from uptake of federal COVID support programs.

The decrease from budget is primarily due to:

- lower-than-expected income assistance utilization resulting from the uptake of federal COVID support programs; and
- lower-than-budgeted social housing costs due to delayed and lower-than-expected uptake in housing projects.

These decreases were partially offset by:

- unbudgeted COVID-related expenses primarily due to the hotel isolation program, child and family isolation spaces and expanded services for minors.

Protection of persons and property

Actual to Prior Year	Actual to Budget
↑ \$33 million 4.1%	↑ \$13 million 1.6%

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

- COVID-related expenses primarily comprised of:
  - salary pressures and additional operating costs for custody and court services; and
  - personal protective equipment purchases.
- a year-over-year increase for the RCMP for salary and operating increases, additional officers for First Nations communities and other service enhancements.

Community development

Actual to Prior Year	Actual to Budget
↑ \$151 million 23.6%	↑ \$30 million 3.9%

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

- COVID-related expenses primarily comprised of:
  - funding for municipalities through the Municipal Economic Enhancement Program;
  - utilization of funding from the Safe Restart Agreement; and
  - Emergency Pandemic Support for First Nations and Métis organizations in response to the closure of gaming establishments.
- increased funding through the Investing in Canada Infrastructure Program as 2020-21 was the first full year of this program; and
- increased urban revenue sharing reflecting increases in provincial sales tax revenue in 2018-19 over the previous year.

Details

Expense *(continued)*

Community development (continued)

These increases were partially offset by:

- a decrease in First Nations Gaming Agreement transfer payments due to the suspension of the Agreement as a result of the closure of gaming establishments during COVID;
- a decrease in Gas Tax Program funding to municipalities due to one-time additional funding provided by the federal government in the prior year; and
- one-time funding provided to municipalities in the prior year to mitigate the impact of the phase out of coal-fired electricity.

The increase from budget is primarily due to:

- the flow-through of municipal Safe Restart Agreement funding; and
- increased spending under the New Building Canada Fund due to faster-than-expected progress on construction projects.

These increases from budget were partially offset by:

- lower-than-budgeted spending under the Investing in Canada Infrastructure Program resulting from slower-than-expected progress on construction projects; and
- lower-than-budgeted northern water and waste water system upgrade funding due to lower-than-expected costs and delays in residential and landfill projects.

Other expense themes (*including financing charges, transportation, agriculture, economic development, general government, and environment and natural resources*)

Actual to Prior Year	Actual to Budget
↑ $187 million 6.7%	↓ $502 million 14.4%

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

- COVID-related support measures largely comprised of:
  - the Saskatchewan Economic Recovery Rebate;
  - the Accelerated Site Closure Program spending for the reclamation of inactive wells;
  - the Small Business Emergency Payment Program;
  - the Saskatchewan Temporary Wage Supplement program; and
  - Saskatchewan tourism sector support.
- increased funding provided for infrastructure through the Investing in Canada Infrastructure Program and capital stimulus funding to rural municipalities;
- increases in financing charges largely tied to COVID-related borrowing, interest related to the completion of the Regina Bypass and higher interest rates for pension plans; and
- the administration of the 2020 general election.

These increases were partially offset by:

- a decrease in pension costs for the Public Service Superannuation Plan (PSSP) primarily due to prior year losses finished being amortized and new gains arising from changes in actuarial assumptions, including higher interest rates;
- a decrease in crop insurance and wildlife damage claims due to favorable harvest conditions;
- a decrease in AgriStability expenses due to better prices and movement of products; and
- a recovery of a contaminated sites provision resulting from a change in measurement to align with industry practices and regulations.

The decrease from budget is primarily due to:

- lower-than-budgeted crop insurance claims as current year crop conditions were better than the budgeted 10-year average;
- a health and public safety contingency for which actual expenses are presented within the themes to which they relate;
- lower-than-anticipated activity for the Accelerated Site Closure Program;
- lower-than-expected pension costs for the PSSP primarily due to gains arising from changes in actuarial assumptions and plan experience differences; and
- an unbudgeted recovery of a contaminated sites provision resulting from a change in measurement to align with industry practices and regulations.

These decreases from budget were partially offset by:

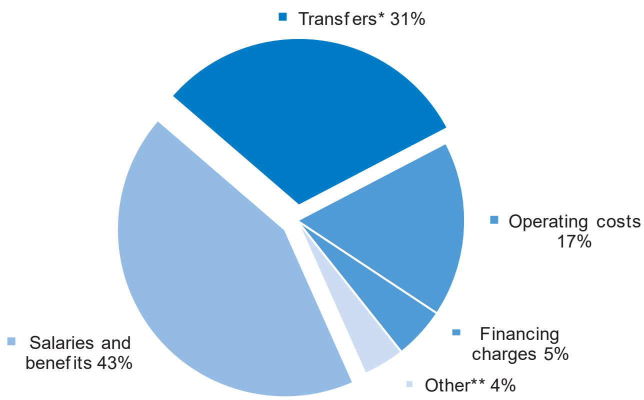
- unbudgeted COVID-related support measures primarily comprised of:
  - the Saskatchewan Economic Recovery Rebate;
  - the Saskatchewan Temporary Wage Supplement program; and
  - support for the Saskatchewan tourism sector.
- greater-than-expected highway winter maintenance costs and stimulus infrastructure spending on rural and urban highway connector roads, including capital grants to rural municipalities; and
- higher-than-expected AgriStability expenses due to greater-than-expected prior year claim amounts.

Details

Expense (*continued*)

Expense by Object – 2020-21 ($15.65 billion)

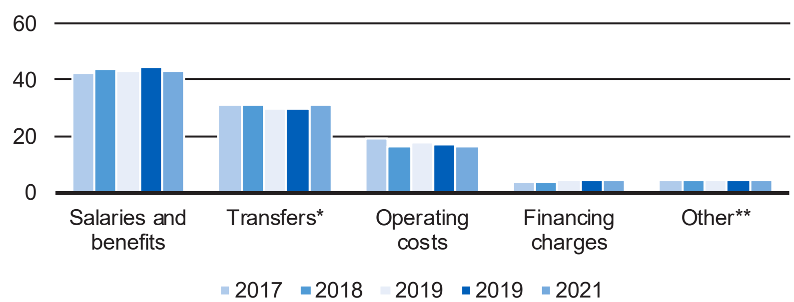
(per cent)



* 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

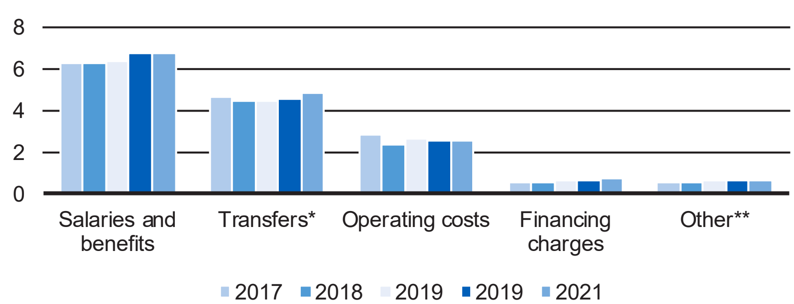
(per cent)



* 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.

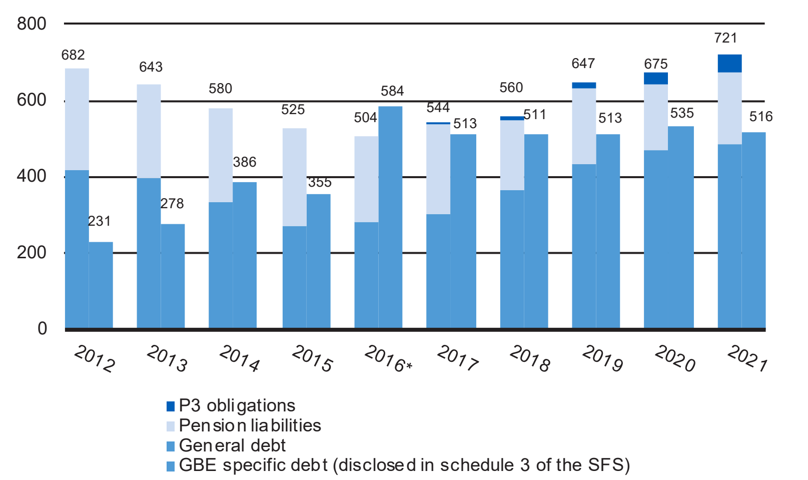
The most significant change was a $375 million increase in transfers, primarily due to financial support provided to residents, businesses and municipalities to address the adverse impact of the COVID-19 pandemic.

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.

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 increase in 2020-21 is primarily due to COVID-related borrowing.

The average effective interest rate on gross debt during 2020-21 was 3.5 per cent (2019-20 - 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 2020-21 was 2.8 per cent (2019-20 - 2.5 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.

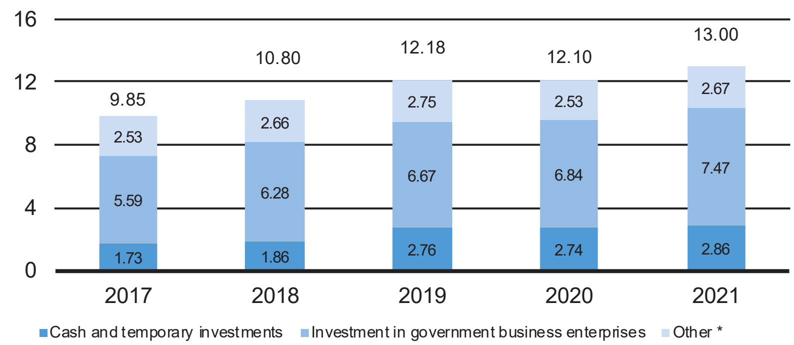
Details

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)



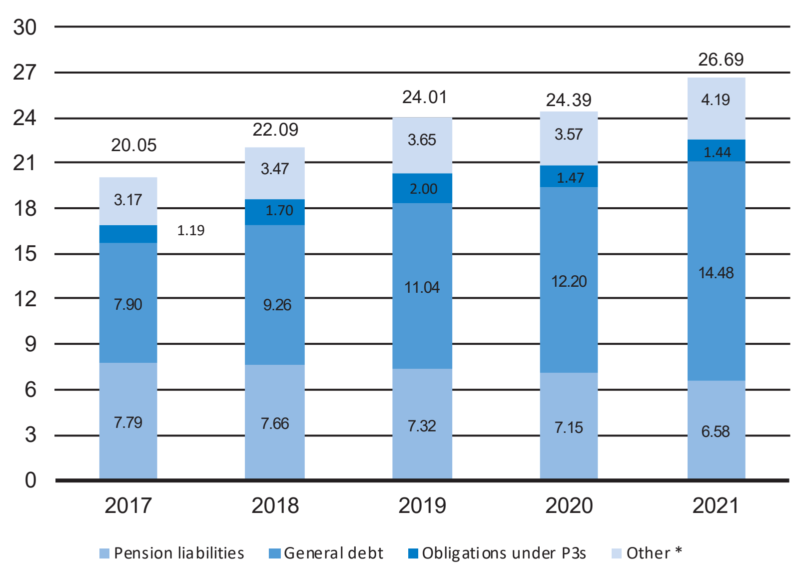
* At March 31, 2021, primarily accounts receivable ($1.75 billion), loans receivable ($504 million) and other investments ($411 million).

Liabilities

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

Liabilities

(billions of dollars)



* At March 31, 2021, primarily accounts payable and accrued liabilities ($3.15 billion).

From 2016-17 to 2020-21, liabilities increased by $6.64 billion. This was primarily a result of a $6.58 billion increase in general debt.

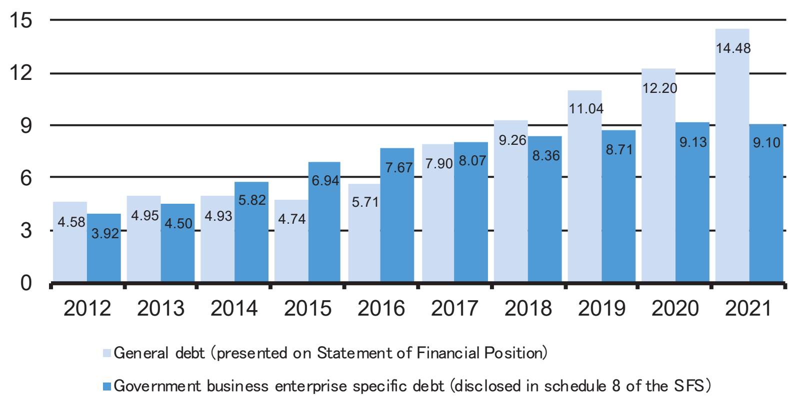
More detailed information on the significant liabilities can be found in the pages following.

Details

Liabilities (*continued*)

Public Debt

(billions of dollars)



At March 31, 2021, the SFS report general debt of $14.48 billion and GBE specific debt of $9.10 billion. General debt, after several years of little change, has increased over the past six years. Until 2020-21, 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. This year, the increase was primarily attributable to borrowing to cover COVID-related revenue shortfalls, economic stimulus spending and incremental expenses.

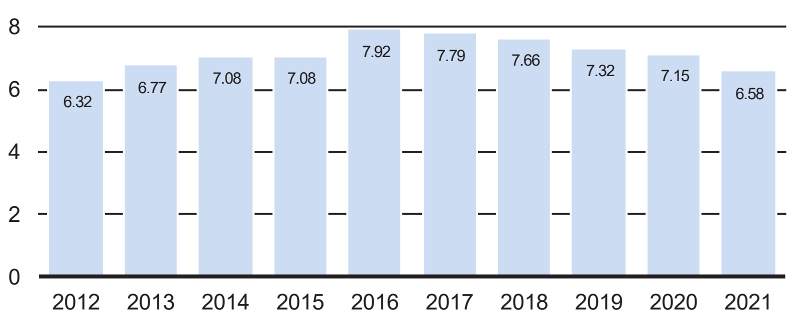
Public debt consists of gross debt net of sinking funds and includes:

- 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, 2021, the SFS report pension liabilities of $6.58 billion, an increase of $260 million since 2011-12. 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 by $1.34 billion as payments have begun to exceed the pension costs.

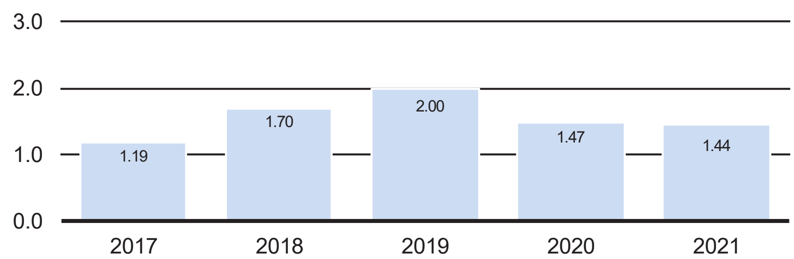
Pension liabilities represent the future obligations for the Government's defined benefit pension plans. The pension liability fluctuates with changes in actuarial assumptions such as interest rates and life expectancy. The Government limited its pension exposure over 40 years ago when it closed the 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

(billions of dollars)



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.

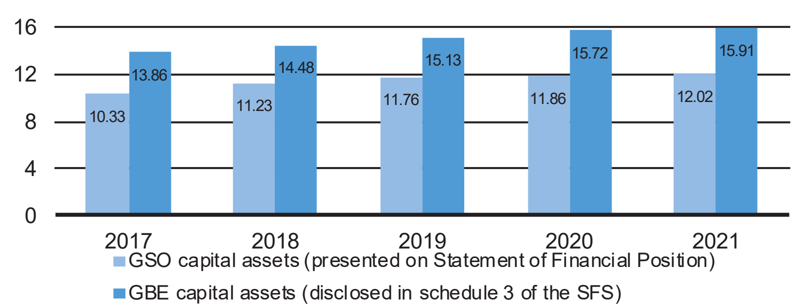
The Government has been party to four P3 arrangements (as disclosed in schedule 10 of the SFS). At March 31, 2021, all four P3 projects are complete and operational.

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

(billions of dollars)



The Statement of Financial Position reports a net book value of capital assets recognized by government service organizations (GSOs) of $12.02 billion and does not include the capital assets recognized by government business enterprises (GBEs). Capital assets recognized by GBEs total $15.91 billion at March 31, 2021 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 2020-21 was $2.04 billion, $1.20 billion acquired by GBEs and $837 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 ($445 million) and land, buildings and improvements ($178 million). The GBEs continued to replace aging infrastructure and invest in capital projects to meet the demand for growth, and improve safety.

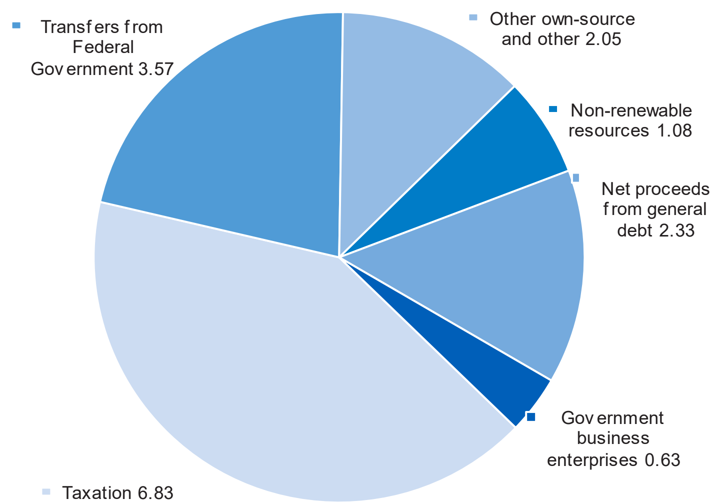
Details

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 increased by $126 million, from $2.74 billion in 2019-20 to $2.86 billion in 2020-21.

Sources of Cash

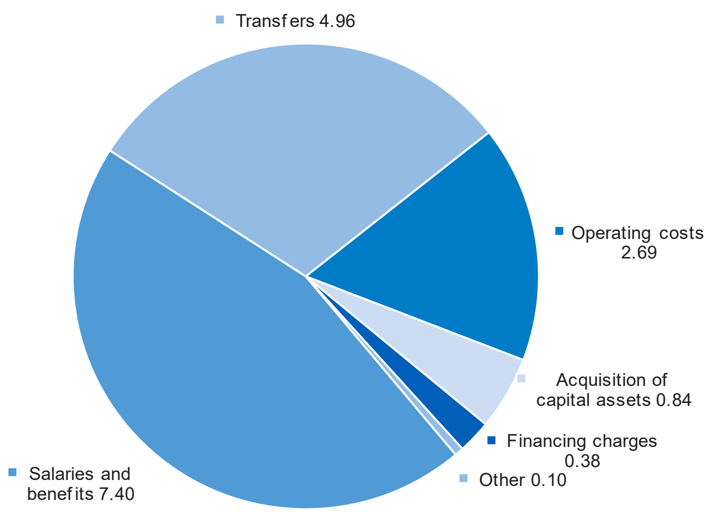
(billions of dollars)



The primary source of cash was $6.83 billion from taxation. Another significant source of cash was $3.57 billion from transfers from the Federal Government.

Uses of Cash

(billions of dollars)



The most significant use of cash was $7.40 billion for salaries and benefits largely for frontline service providers in the health and education sectors. Another significant use of cash was $4.96 billion for transfers.

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, trade barriers, population change, personal income and retail sales;
- exposure to interest rate risk, foreign exchange rate risk, price risk, credit risk and liquidity risk (see note 3 of the SFS);
- 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;
- supply chain disruptions and other 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.

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
Deputy Premier and
Minister of Finance

RUPEN PANDYA
Deputy Minister of Finance

TERRY PATON
Provincial Comptroller

Regina, Saskatchewan
June 2021

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, 2021, 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, 2021, 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 Consolidated 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 2020-21 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 17, 2021

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

Statement of Financial Position

As at March 31, 2021
(thousands of dollars)

	2021	2020
Financial Assets		
Cash and temporary investments (*note 4*)	2,862,621	2,736,481
Accounts receivable (*schedule 1*)	1,754,866	1,665,500
Loans receivable (*schedule 2*)	503,773	469,177
Investment in government business enterprises (*schedule 3*)	7,466,716	6,840,053
Other investments (*schedule 4*)	410,731	388,231
Other financial assets	4,895	4,903
Total Financial Assets	13,003,602	12,104,345
Liabilities		
Accounts payable and accrued liabilities (*schedule 5*)	3,148,937	3,003,392
Unearned revenue (*schedule 6*)	527,204	179,700
Pension liabilities (*note 5*)(*schedule 7*)	6,575,845	7,152,321
General debt (*schedule 8*)	14,481,477	12,199,259
Obligations under long-term financing arrangements (*schedule 10*)	1,440,677	1,472,341
Other liabilities (*schedule 11*)	512,154	386,213
Total Liabilities	26,686,294	24,393,226
Net Debt	(13,682,692)	(12,288,881)
Non-Financial Assets		
Tangible capital assets (*schedule 12*)	12,017,273	11,858,796
Inventories held for consumption	236,787	182,904
Prepaid expenses	60,991	55,864
Total Non-Financial Assets	12,315,051	12,097,564
Accumulated Deficit	(1,367,641)	(191,317)

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

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

Statement of Operations

For the Year Ended March 31, 2021

(thousands of dollars)

	2021		2020
	Budget[1]	**Actual**	**Actual**
Revenue			
Taxation	7,202,800	6,881,974	7,553,272
Non-renewable resources	997,400	1,107,774	1,750,298
Net income from government business enterprises (*schedule 3*)	728,800	1,278,141	855,369
Other own-source	1,933,100	2,122,951	2,138,392
Transfers from the federal government	2,786,600	3,133,069	2,589,806
Total Revenue (*schedule 13*)	13,648,700	14,523,909	14,887,137
Expense			
Health	6,176,300	6,338,063	6,051,358
Education	3,361,900	3,276,875	3,501,562
Social services and assistance	1,490,300	1,448,377	1,436,348
Protection of persons and property	806,500	819,709	787,087
Community development	762,800	792,587	641,435
Financing charges (*schedule 15*)	718,200	720,829	674,967
Transportation	585,800	616,853	545,491
Agriculture	798,800	525,934	633,037
Economic development	389,800	477,746	232,560
General government	421,900	379,395	505,918
Environment and natural resources	362,400	254,574	196,699
Health and public safety contingency[1]	200,000	-	-
Total Expense (*schedule 14*)	16,074,700	15,650,942	15,206,462
Deficit	(2,426,000)	(1,127,033)	(319,325)

[1] Budget figures, as presented in the 2020-21 Saskatchewan Provincial Budget, include a health and public safety contingency as a measure of prudence in the event of a possible resurgence of the COVID-19 pandemic. Actual expenses are presented within the themes to which they relate.

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

Statement of Accumulated Deficit

For the Year Ended March 31, 2021

(thousands of dollars)

	2021		2020
	Budget	**Actual**	**Actual**
Accumulated (deficit) surplus, beginning of year	(191,317)	(191,317)	154,752
Adjustment to accumulated (deficit) surplus *(note 11)*	-	(32,392)	(94,269)
Deficit	(2,426,000)	(1,127,033)	(319,325)
Other comprehensive (loss) income (*schedule 3*)	-	(16,899)	67,525
Accumulated Deficit, End of Year	(2,617,317)	(1,367,641)	(191,317)

Statement of Change in Net Debt

For the Year Ended March 31, 2021

(thousands of dollars)

	2021		2020
	Budget	**Actual**	**Actual**
Deficit	(2,426,000)	(1,127,033)	(319,325)
Tangible Capital Assets (*schedule 12*)			
Acquisitions	(1,044,200)	(837,101)	(843,024)
Amortization	637,300	630,206	597,072
Disposals	-	8,350	11,828
Write-downs	-	6,676	11,501
Adjustments	-	33,392	119,949
Net acquisition of tangible capital assets	(406,900)	(158,477)	(102,674)
Net acquisition of other non-financial assets	-	(59,010)	(11,265)
Increase in net debt from operations	(2,832,900)	(1,344,520)	(433,264)
Adjustment to accumulated (deficit) surplus *(note 11)*	-	(32,392)	(94,269)
Other comprehensive (loss) income (*schedule 3*)	-	(16,899)	67,525
Increase in net debt	(2,832,900)	(1,393,811)	(460,008)
Net debt, beginning of year	(12,288,881)	(12,288,881)	(11,828,873)
Net Debt, End of Year	(15,121,781)	(13,682,692)	(12,288,881)

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

Statement of Cash Flow

For the Year Ended March 31, 2021

(thousands of dollars)

	2021	2020
Operating Activities		
Deficit	(1,127,033)	(319,325)
Non-cash items included in the deficit		
Net income from government business enterprises (*schedule 3*)	(1,278,141)	(855,369)
Other non-cash items included in the deficit (*schedule 17*)	580,321	635,002
Net change in non-cash operating activities (*schedule 17*)	(115,558)	(101,994)
Dividends received from government business enterprises (*schedule 3*)	638,579	698,185
Cash (Used for) Provided by Operating Activities	(1,301,832)	56,499
Capital Activities		
Acquisition of tangible capital assets (*schedule 12*)	(837,101)	(843,024)
Proceeds on disposal of tangible capital assets	8,366	17,904
Cash Used for Capital Activities	(828,735)	(825,120)
Investing Activities		
Net increase in loans receivable	(42,541)	(33,492)
(Increase in) repayment of equity advances to government business enterprises	(4,000)	33,000
Acquisition of other investments	(57,335)	(50,390)
Disposition of other investments	74,343	117,039
Sinking fund contributions for general debt (*schedule 9*)	(165,084)	(145,873)
Sinking fund redemptions for general debt (*schedule 9*)	320,924	71,920
Cash Provided by (Used for) Investing Activities	126,307	(7,796)
Financing Activities		
Proceeds from general debt	3,542,792	1,431,267
Repayment of general debt	(1,366,433)	(159,942)
Decrease in obligations under long-term financing arrangements *(schedule 10)*	(31,664)	(526,540)
(Decrease) increase in other liabilities[1]	(14,295)	3,575
Cash Provided by Financing Activities	2,130,400	748,360
Increase (decrease) in cash and temporary investments	126,140	(28,057)
Cash and temporary investments, beginning of year	2,736,481	2,764,538
Cash and Temporary Investments, End of Year	2,862,621	2,736,481

[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, 2021

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 consist of property conveyed or assigned to the Government, as trustee, by agreement or statute to administer on behalf of beneficiaries. Because trust funds are administered but not controlled by the Government, the funds are 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 expensed provincial sales tax, are eliminated. Government service organizations in which a non-controlling interest exists are proportionately consolidated.

Government business enterprises are recorded using the modified equity method based on their results prepared in accordance with International Financial Reporting Standards. 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 expensed 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.

Inventories held for consumption are recorded at cost and are expensed as they are consumed. COVID-19 vaccines received from the federal government at no cost have not been reflected in these financial statements due to the measurement difficulty. During the year, the Government received 233 thousand COVID-19 vaccines and held 29 thousand in inventory at March 31, 2021.

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. Intangible assets, items inherited by right of the Crown such as Crown lands, forests, water and mineral resources, works of art and historical treasures are not recognized as assets in these financial statements as an estimate of their future economic benefits cannot be reasonably and verifiably quantified.

Notes to the Financial Statements

1. Significant Accounting Policies *(continued)*

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, recorded on the accrual basis, represents economic resources earned by the Government from taxes and other sources that are used to deliver public services.

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 recorded as unearned revenue and recognized as the stipulations are met.

Expense

Expenses, recorded on the accrual basis, represent the Government's cost to deliver public services and are classified by theme in the Statement of Operations and by object in Schedule 14, while Schedule 16 discloses expense themes by object. Transfers are recognized as expenses in the period the transfer is authorized and eligibility criteria are met.

Expenses classified by theme, which are based on the major functional groupings of activities, are as follows:

The *agriculture theme* includes expenses to assist and improve the agriculture and food industry through development activities including research, education, regulation and investment in the sector as well as providing direct support to farmers through loans, income stabilization and insurance programs.

The *community development theme* includes expenses to maintain and develop engaged and vibrant communities, including financial assistance and infrastructure funding to local governments and other authorities, which in turn provide community services. Community development also includes funding directed to specific community services such as sport, culture, arts, and heritage that improve quality of life.

The *economic development theme* includes expenses to strengthen, expand and diversify Saskatchewan's economy as well as to promote trade and growth in export markets. The expenses arise from activities such as research, marketing, product development, financing, financial assistance, technology and infrastructure. Economic development also includes the strategic management of Saskatchewan's non-renewable resources to support future economic activity.

The *education theme* includes expenses to develop and maintain a quality prekindergarten through post-secondary education system which is designed to impart knowledge and information, including activities that support and encourage ongoing learning and the acquisition of specialized skills as well as providing supports to help students be successful.

The *environment and natural resources theme* includes expenses to protect and improve the quality of the environment through: the management of fish, wildlife, forests and land; recycling; and the prevention and clean-up of environmental hazards.

The *financing charges theme* includes expenses associated with general debt including interest, foreign exchange gains and losses, discounts and premiums, fees and commissions. It also includes financing costs related to pension and other employee future benefits liabilities, obligations under long-term financing arrangements such as public-private partnerships and capital lease obligations.

Notes to the Financial Statements

1. Significant Accounting Policies *(continued)*

The *general government theme* includes expenses for centralized government services including: government contributions to, and management of, employee benefit plans; property, vehicle and information technology management; the collection of government revenues; the formation of budgetary policy; the preparation and audit of the Government's public accounts; and the constitutional, political and law enactment aspect of the Government.

The *health theme* includes expenses to support, maintain and restore the physical and mental health of Saskatchewan residents. Health expense primarily includes: the delivery of health services through acute, emergency, rehabilitative, long-term, community-based, and home-based care; cancer prevention, diagnosis and treatment programs; the prevention and control of infectious diseases; the subsidization of prescription drugs; and the education and promotion of healthy lifestyles.

The *protection of persons and property theme* includes expenses to promote and ensure the security, safety and protection of residents and property which is mainly achieved through a fair justice system, policing programs and supervision and rehabilitation services for offenders. Protection of persons and property also includes: services that promote, support and enforce safe work practices and employment standards; provincial emergency management through 911 services, public safety, disaster assistance and wildfire management; and victims' services.

The *social services and assistance theme* includes expenses to provide financial assistance and services to individuals and families in need because of poverty, abuse, neglect and disability. This includes income support programs, accessible and safe housing, child protection services, adoption services and providing life's needs to persons with intellectual disabilities.

The *transportation theme* includes expenses for the development, construction and maintenance of an integrated provincial transportation system using highways, rural roads, bridges, ferry crossings, airstrips and communication networks.

Schedule 18 identifies the entities included in each theme.

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, 2022), 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, 2022), 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, 2022), 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, 2023), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.

PS 3160 Public Private Partnerships (effective April 1, 2023), a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements.

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 $6,773.5 million (2020 - $7,352.1 million), insurance claim obligations of $4,132.3 million (2020 - $3,943.7 million) and agricultural income stability program obligations of $80.4 million (2020 - $118.6 million) because actual experience may differ from actuarial or historical estimations;
- in individual and corporation income taxation revenue of $2,903.5 million (2020 - $3,416.5 million) because final tax assessments may differ from initial economic estimates;
- in environmental obligations of $719.9 million (2020 - $811.1 million), including the remediation of contaminated sites because the existence and extent of contamination and the timing and cost of remediation cannot be reliably estimated in all cases;
- in oil and natural gas non-renewable resources revenue of $378.2 million (2020 - $667.8 million) because of price and production sensitivities in the royalty revenue structures;
- in potash non-renewable resources revenue of $421.6 million (2020 - $554.4 million) because actual operating profits may differ from initial estimates;
- in resource surcharge non-renewable resources revenue of $263.1 million (2020 - $413.3 million) because the final valuation of resource sales may differ from initial estimates;
- in the Canada Health Transfer and Canada Social Transfer revenue of $1,761.7 million (2020 - $1,718.9 million) because of changes in economic and demographic conditions in the Province and the country;
- in the value of certain investments of $1,222.0 million (2020 - $1,146.8 million) because these investments have no active market;
- in the Provincial Disaster Assistance Program receivable of $223.4 million (2020 - $218.4 million) because actual settlement payments may differ from initial estimates; and
- in unbilled utility revenue receivable of $123.0 million (2020 - $126.3 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 amounts 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.

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 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 chosen asset mix helps reduce the impact of market fluctuations by requiring investment in different asset classes and in both domestic and foreign markets.

Notes to the Financial Statements

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

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. This risk is managed by setting asset mix guidelines that limit the extent to which interest rates impact the market value of the Government's fixed income investments. It is estimated that a one per cent increase in interest rates would increase the Government's deficit by $140.0 million (2020 - $130.5 million).

Foreign exchange rate risk is managed by defining maximum limits on 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 $258.8 million (2020 - $204.8 million) 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 $198.9 million (2020 - $52.3 million). At March 31, 2021, 89.2 per cent (2020 - 83.0 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 $2,528.6 million (2020 - $4,038.0 million). A one percentage point increase in interest rates would have increased the deficit by $25.3 million (2020 - $40.4 million).

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, 2021, 100.0 per cent (2020 - 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 300.0 million U.S. dollars (2020 - 800.0 million U.S. dollars) fully hedged to $384.0 million Canadian (2020 - $1,017.8 million Canadian); and
- debentures of 115.0 million Euros (2020 - nil) fully hedged to $179.8 million Canadian (2020 - nil).

During 2019-20, 225.0 million U.S. dollars were hedged to Canadian dollars at an exchange rate of 1.2172. In 2020-21 there were no foreign denominated interest payments on debentures.

In total, the Government has cross-currency swaps on a notional value of debt of $685.3 million (2020 - $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, 2021, 95.2 per cent (2020 - 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 in which the investment maturities approximate that of the underlying long-term debt issues and maintaining adequate cash reserves and short-term borrowing programs as contingent sources of liquidity.

Notes to the Financial Statements

4. Cash and Temporary Investments

Temporary investments are $1,332.0 million (2020 - $1,701.9 million) 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 $16.3 million (2020 - $16.4 million - restated) segregated as a result of restrictions in agreements with external parties.

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 benefit method prorated on services. 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	2021 Total	2020 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	72	17	1,057	38,457	39,603	39,087
Average age of active employees *(years)*	64.6	64.7	48.1	43.8	44.0	44.1
Number of former employees entitled to deferred pension benefits	4,728	1	180	2,142	7,051	7,103
Number of superannuates and surviving spouses	10,784	4,580	608	19,904	35,876	35,333
Actuarial valuation date	June 30/18	Dec. 31/20	Various	Dec. 31/19	n/a	n/a
Long-term assumptions used						
Rate of compensation increase *(percentage)*	3.00	n/a	3.00-3.25	2.75	n/a	n/a
Expected rate of return on plan assets *(percentage)*	4.00	n/a	4.50-6.05	6.00	n/a	n/a
Discount rate *(percentage)*	3.00	2.90	2.60-6.05	6.00	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	-	8.00-12.00	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]	2021 Total	2020 Total (Restated)
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	18,613	15,253	9,884	2,230	45,980	46,037
Employee contributions *(thousands of dollars)*	90,318	112,557	26,462	10,556	239,893	233,886
Government contributions *(thousands of dollars)*	105,022	88,996	26,476	11,756	232,250	218,053

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, 2020, audited financial statements for the MEPP reported an accrued benefit obligation of $2,359.2 million (2019 - $2,144.6 million) and plan assets at market value of $3,198.1 million (2019 - $2,803.0 million).

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, 2020, audited financial statements for the RCESP reported an accrued benefit obligation of $1,570.1 million (2019 - $1,506.3 million) and plan assets at market value of $1,718.1 million (2019 - $1,614.5 million).

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)	2021	2020
Defined benefit plans		
Current period benefit cost	16,878	17,846
Amortization of estimation adjustments	(360,143)	69,203
Employee contributions	(4,154)	(4,088)
Change in valuation allowance	(469)	1,299
Pension interest cost (*schedule 15*)	188,600	173,880
Pension (recovery) expense, defined benefit plans	(159,288)	258,140
Other plans		
Pension expense, joint defined benefit plan	180,064	176,915
Pension expense, defined contribution plans	232,250	218,053
Total Pension Expense (*schedule 16*)	253,026	653,108

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 (WCB). The WCB pension plan was wound up during 2020-21.

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:

				2021	2020
	SaskPower	SaskTel	Others	Total	Total
Plan status	closed	closed	closed	n/a	n/a
Number of active employees	9	13	2	24	33
Number of former employees, superannuates and surviving spouses	1,595	1,832	240	3,667	3,836
Employee contributions *(thousands of dollars)*	-	-	2	2	1
Government contributions *(thousands of dollars)*	-	-	3,597	3,597	3,166
Benefits paid *(thousands of dollars)*	60,167	64,925	8,079	133,171	137,208
Actuarial valuation date	Dec. 31/19	Mar. 31/20	Various	n/a	n/a
Long-term assumptions used					
Discount rate *(percentage)*	3.05	3.10	2.90-3.10	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)				2021	2020
	SaskPower	SaskTel	Others	Total	Total
Accrued benefit obligation	822,826	996,219	72,358	1,891,403	1,864,744
Fair value of plan assets	660,853	1,034,297	38,523	1,733,673	1,690,119
Plan Deficit (Surplus)	161,973	(38,078)	33,835	157,730	174,625
Valuation allowance	-	38,078	1,855	39,933	25,146
Pension Liabilities	161,973	-	35,690	197,663	199,771

Defined contribution plan

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

	2021	2020 (Restated)
Plan status	open	open
Employee contribution rate *(percentage of salary)* [1]	4.45-8.60	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	12,377	12,592
Government contributions *(thousands of dollars)*	70,416	68,445

[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)	2021	2020
Defined benefit plans	7,311	7,210
Defined contribution plan	70,416	68,445
Total Pension Expense	77,727	75,655
Net Pension Gain Included in Other Comprehensive Income	(7,410)	(17,289)

6. Trust Funds

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

(thousands of dollars)	2021	2020
Pension plans and annuity funds	18,252,260	15,373,916
Employee benefit plans	681,956	641,587
Public Guardian and Trustee of Saskatchewan	286,618	247,243
Other	85,272	103,325
Total Trust Fund Assets[1]	19,306,106	16,366,071

[1] Amounts are based on the latest financial statements of the funds closest to March 31, 2021, where available.

Notes to the Financial Statements

7. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both assets and revenues in the future when the terms of those contracts or agreements are met. The Government has the following contractual rights:

(*thousands of dollars*)	2022	2023	2024	2025	2026	Thereafter	2021 Total	2020 Total (Restated)
Governmental Service Organizations								
Transfers from the federal government								
Capital	195,184	192,062	264,324	220,235	131,805	86,300	1,089,910	1,215,792
Operating[1]	308,120	230,374	77,448	73,479	67,866	125,322	882,609	1,062,514
Other own-source revenue								
Fees								
Real property sales and leases	69,173	21,199	17,260	15,335	10,253	95,666	228,886	222,322
Subsidized housing rental fees	2,926	2,554	1,672	947	399	-	8,498	7,773
Other fees	17,790	5,005	1,944	500	500	3,500	29,239	34,981
Total Government Service Organizations	593,193	451,194	362,648	310,496	210,823	310,788	2,239,142	2,543,382
Government Business Enterprises								
Liquor and gaming sector[2]	30,000	70,000	85,000	96,000	100,000	-	381,000	315,130
Utility sector	171,583	43,341	36,360	2,280	2,200	4,400	260,164	195,196
Total Government Business Enterprises	201,583	113,341	121,360	98,280	102,200	4,400	641,164	510,326
Total Contractual Rights[3]	794,776	564,535	484,008	408,776	313,023	315,188	2,880,306	3,053,708

1 The contractual rights for federal operating transfer agreements with no expiration date include estimated revenue for up to 11 contract years. Contractual rights beyond this could be significant.

2 A gaming agreement has an expiration date that extends to 2037; however, amounts for contractual rights beyond 2026 are not included. The contractual rights beyond 2026 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: Canadian Agricultural Partnership, for which transfers from the federal government are based on crop yields each year; private reinsurance agreements, for which insurance recovery revenue arises from catastrophic events (e.g., severe weather); and forest management agreements, for which licensees pay fees based on the cubic meter harvested.

8. Contingent Assets

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

Notes to the Financial Statements

9. Contractual Obligations

Contractual obligations are legal obligations to others that will become liabilities in the future when the terms of the contract are met. The Government has the following contractual obligations:

(thousands of dollars)	2022	2023	2024	2025	2026	Thereafter	2021 Total	2020 Total (Restated)
Governmental Service Organizations								
Policing transfer agreement	207,621	196,797	201,702	206,729	211,695	1,375,754	2,400,298	2,589,298
Operation, maintenance and life cycle rehabilitation payments under P3s	24,060	24,586	24,988	25,640	26,104	1,030,265	1,155,643	1,190,476
Construction and acquisition of tangible capital assets	545,318	11,443	6,856	2,014	154	-	565,785	444,397
Service agreements								
Computer	110,224	52,905	28,136	21,553	11,778	3,622	228,218	201,220
Emergency communications	14,875	14,454	14,009	12,625	12,496	25,658	94,117	86,785
Transportation	29,083	25,036	16,484	9,556	6,972	-	87,131	115,393
Other	32,575	27,138	14,786	5,340	1,212	10,399	91,450	64,344
Operating lease agreements	89,874	73,346	56,362	40,866	29,407	91,491	381,346	338,044
Beverage container collection and recycling programs	35,074	35,536	36,554	-	-	-	107,164	131,253
Research and development	29,686	24,547	8,777	2,973	1,337	-	67,320	68,954
Housing subsidies, transfers and loans	18,624	7,466	7,045	6,260	4,888	-	44,283	47,670
Reinsurance contracts	25,500	-	-	-	-	-	25,500	-
Economic growth projects	2,810	1,515	1,515	1,515	1,515	6,115	14,985	16,952
Other transfers								
Operating	1,104,859	819,131	640,009	528,321	123,643	-	3,215,963	1,269,177
Capital	178,985	74,977	22,469	7,057	623	1,129	285,240	185,272
Other	23,926	4,905	4,655	-	-	4,959	38,445	31,311
Total Government Service Organizations[1]	2,473,094	1,393,782	1,084,347	870,449	431,824	2,549,392	8,802,888	6,780,546
Government Business Enterprises								
Forward purchase contracts								
Power	252,187	381,787	411,655	429,485	381,567	7,972,148	9,828,829	5,767,260
Coal	179,426	223,913	231,127	190,269	67,419	192,586	1,084,740	1,287,207
Natural gas	191,374	147,800	130,964	132,302	118,000	260,259	980,699	1,175,071
Other	2,982	504	-	-	-	-	3,486	7,145
Construction, acquisition and maintenance of capital assets	2,449,616	315,303	215,172	151,981	92,034	520,517	3,744,623	2,792,728
Service agreements	102,938	2,681	2,017	1,173	1,038	-	109,847	105,968
Other	6,315	3,015	3,015	3,015	3,015	5,002	23,377	26,392
Total Government Business Enterprises	3,184,838	1,075,003	993,950	908,225	663,073	8,950,512	15,775,601	11,161,771
Total Contractual Obligations	5,657,932	2,468,785	2,078,297	1,778,674	1,094,897	11,499,904	24,578,489	17,942,317

[1] Contractual obligations for government service organizations by theme are as follows:

	2021	2020
Protection of persons and property	2,629,475	2,776,996
Education	2,037,902	426,427
Transportation	1,114,385	1,011,009
Health	943,110	880,512
Social services and assistance	708,393	601,328
Community development	577,778	439,296
General government	388,433	330,046
Environment and natural resources	245,188	144,871
Agriculture	94,129	81,361
Economic development	64,095	88,700
	8,802,888	6,780,546

Notes to the Financial Statements

10. Contingent Liabilities

Lawsuits

The Government is involved in various legal actions, the outcome of which is not determinable. Up to $93.2 million (2020 - $78.5 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 $11.6 million (2020 - $10.0 million) in other contingent liabilities that are dependent on a letter of credit, environmental remediation and guaranteed debt repayments.

11. Adjustment to Accumulated (Deficit) Surplus

During 2020-21, there was an increase in the accumulated deficit, beginning of year of $32.4 million (2020 - $75.0 million decrease in the accumulated surplus, beginning of the year). These adjustments were made to remove the accumulated provincial sales tax paid on the acquisition of certain tangible capital assets. This also resulted in a decrease to tangible capital assets in each of the years.

In addition, during 2019-20, 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.

12. Impact of COVID-19 Pandemic

The COVID-19 pandemic has significantly impacted the Government's fiscal results for the year ended March 31, 2021, the first full year operating in a COVID-19 environment since the global pandemic was declared. This impact is attributed to the negative impact that the pandemic has had on the economy, the cost of health and safety measures taken and the provision of financial support.

The negative impact the pandemic has had on the economy had the greatest impact on the Province's fiscal results and includes:
- a decline in revenue, notably taxation and non-renewable resources; and
- stimulus spending in the form of infrastructure funding, rebates and tax credits to aid economic recovery.

Health and safety measures, with assistance from the federal government, were implemented. The measures taken:
- provided testing and contact tracing;
- supplied personal protective equipment;
- delivered vaccines;
- addressed health care system capacity shortages;
- provided support for a safe return to classrooms;
- controlled and prevented infections in vulnerable populations;
- supported municipalities in their response to COVID-19; and
- imposed public health orders and closures.

Financial support programs were delivered to sectors most impacted by pandemic-related public health orders and closures, including the:
- Saskatchewan small business emergency payment program;
- emergency pandemic response gaming partner grants;
- small business tax rate reduction;
- Saskatchewan tourism sector support program;
- oil and gas sector tax relief; and
- self-isolation support program.

Financial support programs, with assistance from the federal government, were delivered including the:
- Saskatchewan temporary wage supplement program; and
- Canada emergency commercial rent assistance.

The unprecedented and evolving nature of the COVID-19 pandemic continues to provide a level of uncertainty in the Government's financial position and operating results.

Notes to the Financial Statements

13. Comparative Figures

Certain 2020 comparative figures have been reclassified to conform with the current year's presentation.

Accounts Receivable

Schedule 1

As at March 31, 2021
(thousands of dollars)

	2021	2020
Taxation	606,137	548,501
Non-renewable resources	160,373	135,103
Other own-source	738,709	744,203
Transfers from the federal government	431,392	396,573
	1,936,611	1,824,380
Provision for loss	(181,745)	(158,880)
Total Accounts Receivable	1,754,866	1,665,500

Loans Receivable

Schedule 2

As at March 31, 2021
(thousands of dollars)

	2021	2020
Student loans[1]	332,908	277,820
Loans to government business enterprises[2]	240,768	249,342
Other[3]	15,647	19,620
	589,323	546,782
Provision for loss	(85,550)	(77,605)
Total Loans Receivable	503,773	469,177

1 The Government holds $332.9 million (2020 - $277.8 million) in loans to students. 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 2.9 per cent (2020 - 2.4 and 2.9 per cent - restated). Student 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 $73.7 million (2020 - $63.6 million) has been recorded on these loans.

2 The Government has $275.0 million (2020 - $275.0 million) in loans receivable from government business enterprises repayable over 19 to 24 years and bearing interest between 3.9 and 4.8 per cent (2020 - 3.9 and 4.8 per cent). The loans are recorded net of $34.2 million (2020 - $30.7 million) for the government business enterprises' equity in sinking funds administered by the Government. In 2019-20, the Government had an additional loan receivable of $5.0 million from a government business enterprise that was due within one year.

3 The Government's loan portfolio also consists of $15.6 million (2020 - $19.6 million) in numerous other loans at various interest rates and maturities. Other loans include $11.9 million (2020 - $14.0 million) under the Headstart on a Home loan program repayable on demand and bearing interest at prime plus 5.0 per cent (2020 - 4.0 per cent). Security on other loans varies and may include promissory notes, mortgages on real property, security agreements or guarantees. A loss provision of $11.8 million (2020 - $14.0 million) has been recorded on these loans.

Investment in Government Business Enterprises

As at March 31, 2021

(thousands of dollars)

	Utility				
	SaskEnergy	SaskPower	SaskTel	SaskWater	SGI
Assets					
Cash and cash equivalents	(408)	98,580	23,694	1,271	49,491
Accounts receivable	164,535	434,055	192,958	8,409	303,282
Inventories	27,959	250,566	26,347	602	-
Prepaid expenses	-	30,292	123,703	749	165,750
Investments[3]	-	-	-	-	1,290,217
Capital assets	2,866,464	10,381,570	2,042,097	350,341	26,995
Intangible assets	77,415	67,775	264,012	-	4,708
Sinking funds	136,324	864,365	84,619	13,510	-
Other assets	21,769	6,295	99,029	293	4,675
Total Assets[4]	3,294,058	12,133,498	2,856,459	375,175	1,845,118
Liabilities					
Accounts payable and accrued liabilities	115,548	630,575	171,990	6,130	110,691
Dividends payable to government entities	6,907	17,373	32,688	2,085	36,750
Gross debt	1,749,024	7,040,069	1,316,498	89,213	-
Unearned revenue	16,056	22,416	84,689	195,225	520,510
Provision for insurance claims	-	-	-	-	646,473
Other liabilities[7]	251,302	1,569,903	62,062	4,835	26,129
Total Liabilities[4]	2,138,837	9,280,336	1,667,927	297,488	1,340,553
Net Assets (Debt)	1,155,221	2,853,162	1,188,532	77,687	504,565
Revenue					
Operating	803,592	2,777,359	1,323,978	63,284	1,045,740
Investment income	-	-	6,555	35	128,678
Total Revenue[4]	803,592	2,777,359	1,330,533	63,319	1,174,418
Expense					
Operating	671,765	2,197,664	1,167,526	52,656	453,066
Insurance claims	-	-	-	-	548,480
Financing charges[5]	51,021	419,454	32,186	2,318	744
Total Expense[4]	722,786	2,617,118	1,199,712	54,974	1,002,290
Income (loss) from operations	80,806	160,241	130,821	8,345	172,128
Unusual items[4]	-	-	-	-	-
Net Income from Government Business Enterprises	80,806	160,241	130,821	8,345	172,128
Retained earnings (loss), beginning of year	1,024,957	2,123,062	835,784	67,059	344,032
Adjustment to retained earnings (loss)[6]	-	-	-	-	-
Dividends to government entities	(20,553)	(48,072)	(117,739)	(6,259)	(87,000)
Retained earnings, end of year	1,085,210	2,235,231	848,866	69,145	429,160
Accumulated other comprehensive income (loss), beginning of year	3,241	31,511	109,204	335	(3,847)
Adjustment to accumulated other comprehensive income (loss)[6]	-	-	-	-	-
Other comprehensive income	(4,761)	(6,580)	(6,538)	(493)	(748)
Accumulated other comprehensive income (loss), end of year	(1,520)	24,931	102,666	(158)	(4,595)
Equity advances from government entities	71,531	593,000	237,000	8,700	80,000
Investment in Government Business Enterprises	1,155,221	2,853,162	1,188,532	77,687	504,565

1 Net assets are restricted as disclosed on page 66.

2 Adjustments primarily include:
- the reversal of an adjustment made in 2019-20 for the change in investment portfolio value 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 $2,355.3 million (2020 - $2,174.8 million) that bear interest at rates up to 7.2 per cent (2020 - up to 7.2 per cent) and have maturity dates up to 56.5 years (2020 - up to 57.5 years).

4 Total assets include $1,242.1 million (2020 - $1,322.7 million) due from or invested in public sector entities (entities); total liabilities include $10,538.0 million (2020 - $10,594.4 million) in gross debt owing to entities and $377.0 million (2020 - $388.1 million - restated) in accounts payable or services due to entities; total revenue includes $366.8 million (2020 - $370.2 million) from entities; total expense includes $808.9 million (2020 - $815.7 million - restated) paid and owing to entities and unusual items include $2.4 million in expenses to entities.

5 Financing charges is reported net of sinking fund earnings. Interest in the amount of $357.8 million (2020 - $355.9 million) was paid and owing to entities.

6 Adjustment for 2020-21 represents the wind-up of a defined benefit pension plan (2020 - a change in accounting policy (*note 11*)).

Schedule 3

Insurance & Financing			Liquor & Gaming			2021	2020
Auto Fund[1]	WCB[1]	MFC	SLGA	SGC	Adjustments[2]	Total	Total (Restated)
273,592	27,215	321	26,482	4,711	-	504,949	502,221
253,497	13,026	2,934	40,119	45	-	1,412,860	1,396,654
3,997	-	-	29,205	56	-	338,732	298,406
42,888	446	-	1,729	775	-	366,332	357,311
3,072,087	2,135,333	248,421	-	-	-	6,746,058	5,843,486
56,251	10,327	-	135,394	64,518	(19,254)	15,914,703	15,723,872
10,706	6,751	-	17,182	-	-	448,549	455,557
-	-	16,149	-	-	-	1,114,967	1,206,862
-	-	-	525	-	-	132,586	125,415
3,713,018	2,193,098	267,825	250,636	70,105	(19,254)	26,979,736	25,909,784
362,399	16,138	1,145	23,253	10,256	-	1,448,125	1,076,410
-	-	-	71,135	-	-	166,938	151,792
-	-	248,079	94,980	4,988	-	10,542,851	10,585,496
408,964	-	-	-	-	(26,787)	1,221,073	1,186,192
1,851,517	1,647,797	-	-	-	-	4,145,787	3,955,547
-	6,920	-	62,590	4,505	-	1,988,246	2,114,294
2,622,880	1,670,855	249,224	251,958	19,749	(26,787)	19,513,020	19,069,731
1,090,138	522,243	18,601	(1,322)	50,356	7,533	7,466,716	6,840,053
1,050,684	255,573	-	955,855	30,898	(1,015)	8,305,948	8,433,056
508,482	77,438	8,510	-	-	181,178	910,876	137,603
1,559,166	333,011	8,510	955,855	30,898	180,163	9,216,824	8,570,659
206,339	80,988	52	593,847	43,822	1,723	5,469,448	5,445,092
784,436	335,157	-	-	-	-	1,668,073	1,735,579
-	505	7,148	2,282	504	-	516,162	534,619
990,775	416,650	7,200	596,129	44,326	1,723	7,653,683	7,715,290
568,391	(83,639)	1,310	359,726	(13,428)	178,440	1,563,141	855,369
(285,000)	-	-	-	-	-	(285,000)	-
283,391	(83,639)	1,310	359,726	(13,428)	178,440	1,278,141	855,369
806,747	607,108	16,253	(600)	59,784	(170,907)	5,713,279	5,575,346
-	(1,226)	-	-	-	-	(1,226)	(19,251)
-	-	-	(358,956)	-	-	(638,579)	(698,185)
1,090,138	522,243	17,563	170	46,356	7,533	6,351,615	5,713,279
-	(1,736)	535	(2,700)	-	-	136,543	69,018
-	1,226	-	-	-	-	1,226	-
-	510	503	1,208	-	-	(16,899)	67,525
-	-	1,038	(1,492)	-	-	120,870	136,543
-	-	-	-	4,000	-	994,231	990,231
1,090,138	522,243	18,601	(1,322)	50,356	7,533	7,466,716	6,840,053

[7] Capital lease obligations, reported in other liabilites above, have the following payment schedule:

(thousands of dollars)	2021	2020 (Restated)
2020-21	-	196,373
2021-22	199,092	194,172
2022-23	198,681	194,241
2023-24	198,438	196,875
2024-25	191,515	190,051
2025-26	167,864	-
Thereafter	1,333,913	1,495,341
	2,289,503	2,467,053
Less interest and executory costs	(1,198,022)	(1,345,717)
Leases[a]	1,091,481	1,121,336

[a] Leases bear interest up to 15.8 per cent (2020 - up to 15.8 per cent) and have expiry dates up to 31.3 years (2020 - up to 32.3 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.

Utility

SaskEnergy Incorporated (SaskEnergy)

SaskEnergy distributes safe, reliable natural gas within Saskatchewan.

Saskatchewan Power Corporation (SaskPower)

SaskPower provides power generation, transmission and distribution services within Saskatchewan.

Saskatchewan Telecommunications Holding Corporation (SaskTel)

SaskTel offers a wide range of information and communications technology products and services including competitive voice, data and Internet services, wireless data services, entertainment services, data centre services, cloud-based services, security monitoring services, advertising services, and international software and consulting services.

Saskatchewan Water Corporation (SaskWater)

SaskWater provides professional water and wastewater services to select communities, rural municipalities, and industrial and commercial end-user customers within Saskatchewan.

Insurance & Financing

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, home, 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 workplace insurance to Saskatchewan employers and provides benefits to workers who are injured in the course of their employment. Any net assets of the WCB cannot be used for any other purpose.

Municipal Financing Corporation of Saskatchewan (MFC)

MFC assists municipalities in financing their capital requirements.

Liquor & Gaming

Liquor and Gaming Authority (SLGA)

SLGA provides for the socially responsible distribution and regulation of liquor, cannabis and gaming 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.

Other Investments

Schedule 4

As at March 31, 2021

(thousands of dollars)

	2021	2020
Pooled investment funds	185,372	153,911
Bonds and debentures[1]	134,286	138,452
Other[2]	91,073	95,868
Total Other Investments	410,731	388,231

[1] Bonds and debentures held by the Government have a market value of $141.1 million (2020 - $141.7 million) and include securities of:

	2021	2020
Governments of other provinces (coupon interest range 1.9 to 5.8 per cent; maturing in 2.9 to 29.9 years)	49,183	39,860
Corporations (coupon interest range 1.3 to 6.9 per cent; maturing in 1.1 to 30.8 years)	47,887	51,012
Government of Canada (coupon interest range 0.5 to 3.5 per cent; maturing in 1.5 to 30.9 years)	31,409	41,253
Other (coupon interest range 2.5 to 5.4 per cent; maturing in 3.6 to 26.9 years)	5,807	6,327
Total Bonds and Debentures	134,286	138,452

[2] Other includes $70.6 million (2020 - $74.8 million) in fixed-rate securities with a market value of $71.7 million (2020 - $75.6 million) and $20.4 million (2020 - $21.0 million) in Canadian and international equity market investments with a market value of $151.2 million (2020 - $94.3 million).

Accounts Payable and Accrued Liabilities

Schedule 5

As at March 31, 2021
(thousands of dollars)

	2021	2020
Accrued salaries and benefits[1]	1,018,584	882,397
Federal government repayments[2]	584,250	474,515
Transfers[3]	527,248	589,231
Supplier payments	375,184	364,090
Contaminated sites[4]	168,308	208,051
Accrued interest	123,004	109,283
Treaty land entitlement claims	103,824	100,236
Other	248,535	275,589
Total Accounts Payable and Accrued Liabilities	3,148,937	3,003,392

[1] Includes accruals for other employee future benefits of $414.6 million (2020 - $395.5 million) mainly for accumulated sick leave, long-term disability and life insurance benefits.

[2] Includes amounts repayable for income taxes and Equalization transfers, $237.1 million (2020 - $177.5 million) of which is due within one year.

[3] Includes transfers to the federal government of $123.9 million (2020 - $116.7 million) and capital transfers of $77.7 million (2020 - $52.5 million).

[4] Includes contaminated sites consisting of:

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 $84.3 million (2020 - $109.0 million) for the remediation of uranium mines, primarily the Gunnar and Lorado sites, and is net of expected recoveries of $11.2 million (2020 - $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 $30.8 million (2020 - $30.3 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 $43.4 million (2020 - $59.5 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. During the year, a recovery of $16.0 million (2020 - nil) was recorded as a result of changes in remediation approach.

Other contaminated sites

The Government also has $9.8 million (2020 - $9.3 million) of other contaminated sites liabilities, mainly related to the storage of road salt and fuel.

Unearned Revenue

Schedule 6

As at March 31, 2021
(thousands of dollars)

	2021	2020
Transfers from the federal government[1]	359,488	108
Motor vehicle licensing fees	70,399	68,444
Education	42,143	52,495
Health care	13,436	15,281
Other	41,738	43,372
Total Unearned Revenue	527,204	179,700

[1] Includes $334.1 million (2020 - nil) for the reclamation of inactive wells and $25.0 million (2020 - nil) for labour market initiatives.

Pension Liabilities

Schedule 7

As at March 31, 2021

(thousands of dollars)

	TSP	PSSP	Others	2021 Total	2020 Total
Accrued benefit obligation, beginning of year	5,156,455	1,599,336	393,547	7,149,338	7,804,029
Current period benefit cost	834	10	16,034	16,878	17,846
Interest cost	159,776	48,039	17,762	225,577	210,182
Actuarial losses (gains)	102,882	5,426	15,530	123,838	(410,577)
Benefit payments	(327,738)	(116,868)	(18,776)	(463,382)	(472,142)
Accrued Benefit Obligation, End of Year	5,092,209	1,535,943	424,097	7,052,249	7,149,338
Plan assets, beginning of year	230,394	-	177,932	408,326	417,884
Employer contributions	286,467	116,866	13,855	417,188	428,366
Employee contributions	112	2	4,040	4,154	4,088
Return on plan assets[1]	27,335	-	9,642	36,977	36,302
Actuarial losses	(5,308)	-	4,406	(902)	(6,172)
Benefit payments	(327,738)	(116,868)	(18,776)	(463,382)	(472,142)
Plan Assets, End of Year[2]	211,262	-	191,099	402,361	408,326
	4,880,947	1,535,943	232,998	6,649,888	6,741,012
Unamortized estimation adjustments[3]	(82,939)	(5,426)	10,080	(78,285)	406,598
Joint defined benefit plan (SHEPP) net asset[1 4]	n/a	n/a	(1,175,750)	(1,175,750)	(926,019)
Valuation allowance[5]	-	-	1,179,992	1,179,992	930,730
Total Pension Liabilities[6]	4,798,008	1,530,517	247,320	6,575,845	7,152,321

1 The actual rate of return on plan assets was 7.0 per cent (2020 - 1.2 percent) for the TSP and 11.0 per cent (2019 - 11.5 per cent) for the SHEPP.

2 The market value of plan investments was $424.2 million at March 31, 2021 (2020 - $436.1 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 12.8 years for the SHEPP; and up to 13.0 years for the other plans.

4 At December 31, 2020, the SHEPP had a total accrued benefit obligation of $7,867.3 million (2019 - $7,292.2 million), plan assets at market-related values of $8,454.8 million (2019 - $7,824.9 million) and unamortized estimation adjustment losses of $588.2 million (2019 - $393.3 million). The Government portion of employer contributions to the plan totaled $180.1 million (2019 - $176.9 million). Total member contributions were $164.1 million (2019 - $161.2 million) and total benefit payments were $389.3 million (2019 - $362.5 million). The market value of plan investments was $8,893.7 million at December 31, 2020 (2019 - $8,041.5 million). The fair value of these investments increased to $9,035.3 million at March 31, 2021.

5 The valuation allowance includes $1,175.8 million (2019 - $926.0 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, 2021 for the defined benefit plans and December 31, 2020 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 $621.6 million and $167.4 million increase in pension liabilities for the TSP and the PSSP respectively, and a one percentage point increase would result in a $517.8 million and $141.3 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 $1,117.2 million decrease in the SHEPP pension asset, and a one percentage point increase would result in a $896.9 million increase in the SHEPP pension asset.

Public Debt

Schedule 8

As at March 31, 2021
(thousands of dollars)

	2021			2020		
	General Debt[1 2]	Government Business Enterprise Specific Debt[1]	Public Debt	General Debt[1 2]	Government Business Enterprise Specific Debt[1]	Public Debt
General Revenue Fund						
Operating	7,200,001	-	7,200,001	6,149,964	-	6,149,964
Saskatchewan Capital Plan[3]	6,690,332	-	6,690,332	5,402,870	-	5,402,870
Saskatchewan Power Corporation[4]	84,821	6,044,029	6,128,850	86,187	6,311,905	6,398,092
SaskEnergy Incorporated[4]	63,616	1,524,631	1,588,247	64,640	1,427,534	1,492,174
Saskatchewan Telecommunications Holding Corporation[4]	-	1,219,973	1,219,973	-	1,107,256	1,107,256
Municipal Financing Corporation of Saskatchewan[4]	92,331	137,687	230,018	93,515	109,990	203,505
Boards of Education	149,961	-	149,961	159,050	-	159,050
Liquor and Gaming Authority[4]	-	94,957	94,957	-	99,225	99,225
Saskatchewan Health Authority	76,246	-	76,246	101,403	-	101,403
Saskatchewan Water Corporation[4]	-	75,341	75,341	-	76,347	76,347
Saskatchewan Opportunities Corporation	50,089	-	50,089	51,673	-	51,673
Global Transportation Hub Authority	43,910	-	43,910	43,420	-	43,420
Water Security Agency	20,025	-	20,025	25,896	-	25,896
Health Sector Affiliates	8,476	-	8,476	9,657	-	9,657
Saskatchewan Housing Corporation	-	-	-	5,100	-	5,100
Other	1,669	4,988	6,657	5,884	-	5,884
Total[5]	14,481,477	9,101,606	23,583,083	12,199,259	9,132,257	21,331,516

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

2 General debt includes $23.0 million (2020 - $33.3 million) secured primarily by assets with a carrying value of $111.0 million (2020 - $120.9 million).

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

4 Government business enterprise (GBE) public debt includes both general debt and GBE specific debt. General debt of GBEs 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, GBEs.

Schedule 3 provides information on GBEs as presented in their audited financial statements closest to March 31, 2021. The public debt reported above is lower than the gross debt, net of sinking funds, reported on schedule 3 by $85.5 million (2020 - $2.0 million) mainly to conform to Canadian public sector accounting standards and for transactions occurring from the audited financial statements to March 31, 2021.

Public Debt *(continued)* — Schedule 8

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

	2021		
	Gross Debt [a]	Sinking Funds (*schedule 9*)	Public Debt
General Revenue Fund			
Operating	8,048,554	(848,553)	7,200,001
Saskatchewan Capital Plan	6,999,780	(309,448)	6,690,332
Saskatchewan Power Corporation	6,995,473	(866,623)	6,128,850
SaskEnergy Incorporated	1,724,849	(136,602)	1,588,247
Saskatchewan Telecommunications Holding Corporation	1,304,892	(84,919)	1,219,973
Municipal Financing Corporation of Saskatchewan	245,318	(15,300)	230,018
Boards of Education	149,961	-	149,961
Liquor and Gaming Authority	94,957	-	94,957
Saskatchewan Health Authority	76,246	-	76,246
Saskatchewan Water Corporation	88,892	(13,551)	75,341
Saskatchewan Opportunities Corporation	55,229	(5,140)	50,089
Global Transportation Hub Authority	43,910	-	43,910
Water Security Agency	20,025	-	20,025
Health Sector Affiliates	8,476	-	8,476
Other	6,657	-	6,657
Public Debt	25,863,219	(2,280,136)	23,583,083

[a] The average effective interest rate on gross debt was 3.5 per cent (2020 - 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 (2020 - 15.8 years).

The payment schedule for gross debt is as follows:

Year of Maturity	2021	2020
Short-term promissory notes	1,509,242	2,397,712
2020-21	-	1,665,189
2021-22	391,043	285,541
2022-23	514,654	516,969
2023-24	879,808	79,523
2024-25	1,317,465	1,017,548
2025-26	1,445,771	-
6-10 years	5,521,051	4,345,866
Thereafter	14,284,185	13,467,894
Gross debt [a]	25,863,219	23,776,242
Sinking funds	(2,280,136)	(2,444,726)
Public Debt	23,583,083	21,331,516

[a] Gross debt includes Canada Pension Plan debentures of $635.6 million (2020 - $711.2 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, 2021

(thousands of dollars)

	2020 Sinking Funds	Contributions[1]	Earnings[2]	Redemptions[3]	2021 Sinking Funds
General Revenue Fund					
Operating	1,065,600	55,967	42,544	(315,558)	848,553
Saskatchewan Capital Plan	197,088	106,000	6,360	-	309,448
Saskatchewan Power Corporation	823,069	62,751	23,154	(42,351)	866,623
SaskEnergy Incorporated	131,769	12,911	3,993	(12,071)	136,602
Saskatchewan Telecommunications Holding Corporation	193,196	14,666	10,987	(133,930)	84,919
Municipal Financing Corporation of Saskatchewan	13,080	1,856	364	-	15,300
Saskatchewan Water Corporation	11,039	2,217	295	-	13,551
Saskatchewan Housing Corporation	5,236	-	129	(5,365)	-
Saskatchewan Opportunities Corporation	4,649	367	124	-	5,140
Total Sinking Funds[4]	2,444,726	256,735	87,950	(509,275)	2,280,136

[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:

	2022	2023	2024	2025	2026	Thereafter	Total
General debt	196,701	196,384	195,376	187,252	187,252	2,951,931	3,914,896
Government business enterprise specific debt	87,954	85,554	82,873	81,250	81,070	1,403,251	1,821,952
Total Sinking Fund Contributions	284,655	281,938	278,249	268,502	268,322	4,355,182	5,736,848

[2] Sinking fund earnings include gains on investment sales of $12.1 million (2020 - $13.5 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 $2,267.3 million (2020 - $2,515.9 million), are segregated by debt classification as follows:

	2020 Sinking Funds	Contributions	Earnings	Redemptions	2021 Sinking Funds
General debt	1,303,231	165,084	49,981	(320,924)	1,197,372
Government business enterprise specific debt	1,141,495	91,651	37,969	(188,351)	1,082,764
Total Sinking Funds	2,444,726	256,735	87,950	(509,275)	2,280,136

Sinking fund assets have been invested as follows:

	2021	2020
Long-term investments[a] in securities of:		
Governments of other provinces (coupon interest range 1.4 to 9.6 per cent; maturing in 0.2 to 29.6 years)	910,893	1,363,757
Government of Canada (coupon interest range 0.3 to 4.0 per cent; maturing in 0.2 to 30.7 years)	479,017	295,982
Government of Saskatchewan (coupon interest range 2.7 to 9.6 per cent; maturing in 0.9 to 29.2 years)	313,765	363,534
Cash, short-term investments and accrued interest	576,461	421,453
Total Sinking Funds	2,280,136	2,444,726

[a] The average yield to maturity on long-term investments at March 31, 2021 was 2.1 per cent (2020 - 2.3 per cent).

Obligations Under Long-Term Financing Arrangements

Schedule 10

As at March 31, 2021

(thousands of dollars)

	Contract End Date	Discount Rate	2021	2020
Regina Bypass	October 2049	3.10%	838,000	855,955
Elementary Schools	June 2047	3.05%	267,603	273,507
Saskatchewan Hospital North Battleford	May 2048	3.25%	223,805	228,856
Swift Current Long-Term Care Facility	April 2046	3.50%	111,269	114,023
Total Obligations Under Long-Term Financing Arrangements			1,440,677	1,472,341

The Government is party to public private partnership (P3) contracts through which private sector proponents design, build, finance, operate and maintain certain of the Government's tangible capital assets.

The payment schedule for P3 financing is as follows:

	2021			2020
	Obligation[1]	Contractual Obligation for Future Operation, Maintenance & Life Cycle Rehabilitation[2]	Total	Total
2020-21	-	-	-	105,398
2021-22	82,772	24,060	106,832	106,987
2022-23	77,841	24,586	102,427	102,574
2023-24	77,841	24,988	102,829	102,978
2024-25	77,841	25,640	103,481	103,574
2025-26	77,841	26,104	103,945	-
Thereafter	1,755,831	1,030,265	2,786,096	2,896,242
	2,149,967	1,155,643	3,305,610	3,417,753
Less interest costs	(709,290)	-	(709,290)	(754,936)
Total	1,440,677	1,155,643	2,596,320	2,662,817

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:

	2021	2020
Regina Bypass	687,903	709,134
Elementary Schools[a]	249,986	259,439
Saskatchewan Hospital North Battleford	144,530	146,962
Swift Current Long-Term Care Facility	73,224	74,941
Total	1,155,643	1,190,476

a Includes $4.9 million (2020 - $9.5 million) for construction & acquisition of relocatable classrooms.

Other Liabilities

Schedule 11

As at March 31, 2021
(thousands of dollars)

	2021	2020
Unamortized debt-related costs[1]	264,557	124,321
Funds held on behalf of others[2]	173,449	180,916
Capital leases[3]	46,242	52,764
Other	27,906	28,212
Total Other Liabilities	512,154	386,213

[1] Unamortized debt-related costs include:

	2021	2020
Net premium[a]	323,421	176,120
Debt issue costs[a]	(57,730)	(49,531)
Foreign exchange loss[b]	(1,134)	(2,268)
Unamortized Debt-related Costs	264,557	124,321

[a] Combined net change in net premium and debt issue costs is reported in operating activities on the Statement of Cash Flow as increase 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*).

[2] Includes $30.3 million (2020 - $46.4 million) for government business enterprises.

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

	2021	2020
2020-21	-	16,820
2021-22	13,251	11,697
2022-23	11,555	9,621
2023-24	8,708	8,016
2024-25	6,494	6,215
2025-26	5,550	-
Thereafter	32,709	38,315
	78,267	90,684
Less interest and executory costs	(32,025)	(37,920)
Capital Leases[a]	46,242	52,764

[a] Capital leases bear interest at rates up to 13.9 per cent (2020 - up to 13.9 per cent) and have expiry dates up to 11.6 years (2020 - up to 12.6 years).

Tangible Capital Assets

Schedule 12

As at March 31, 2021

(thousands of dollars)

	Land, Buildings & Improve-ments	Roads, Bridges & Water Management	Transportation & Operating Equipment	Office Equipment & Information Technology	2021 Total	2020 Total
Estimated useful life (in years)	*2 - indefinite*	*5-100*	*2-40*	*2-25*		
Opening Net Book Value of Tangible Capital Assets	5,573,017	5,473,342	513,344	299,093	11,858,796	11,756,122
Opening cost	9,862,599	8,423,127	1,866,238	1,041,282	21,193,246	20,660,065
Adjustments[1]	(11,460)	(15,925)	(4,139)	(1,868)	(33,392)	(119,949)
Acquisitions	178,155	445,338	134,189	79,419	837,101	843,024
Write-downs	(61)	(985)	(95)	(7,795)	(8,936)	(46,900)
Disposals	(25,867)	(46,365)	(67,291)	(42,284)	(181,807)	(142,994)
Closing Cost [2 3]	10,003,366	8,805,190	1,928,902	1,068,754	21,806,212	21,193,246
Opening accumulated amortization	4,289,582	2,949,785	1,352,894	742,189	9,334,450	8,903,943
Annual amortization	236,938	227,437	95,056	70,775	630,206	597,072
Write-downs	(7)	(102)	(9)	(2,142)	(2,260)	(35,399)
Disposals	(23,655)	(46,365)	(61,935)	(41,502)	(173,457)	(131,166)
Closing Accumulated Amortization	4,502,858	3,130,755	1,386,006	769,320	9,788,939	9,334,450
Closing Net Book Value of Tangible Capital Assets[4]	5,500,508	5,674,435	542,896	299,434	12,017,273	11,858,796

Tangible capital assets exclude capital assets recognized by government business enterprises (*schedule 3*).

[1] Adjustments consist of a reduction of $32.4 million (2020 - $75.0 million) to opening cost for provincial sales tax capitalized in previous years (*note 11*) and a $1.0 million (2020 - $44.9 million) recovery for realized utility savings during the construction period on the Regina Bypass P3 project.

[2] Includes work in progress of $318.4 million (2020 - $315.6 million).

[3] Includes the Government's $29.5 million (2020 - $29.5 million) share in the North Central Shared Facility partnership.

[4] 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	Transportation & Operating Equipment	Office Equipment & Information Technology	2021 Total	2020 Total (Restated)
P3 Assets						
Opening cost	946,383	1,569,980	-	-	2,516,363	2,478,095
Adjustments [a]	-	(1,000)	-	-	(1,000)	(44,931)
Acquisitions	4,809	3,677	-	-	8,486	83,199
Closing cost	951,192	1,572,657	-	-	2,523,849	2,516,363
Closing accumulated amortization	64,078	38,053	-	-	102,131	61,132
Closing Net Book Value	887,114	1,534,604	-	-	2,421,718	2,455,231
Leased TCAs						
Closing cost	48,922	-	16,794	47,262	112,978	115,810
Closing accumulated amortization	21,640	-	7,665	38,777	68,082	62,798
Closing Net Book Value	27,282	-	9,129	8,485	44,896	53,012

[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, 2021

(thousands of dollars)

	2021 Budget	2021 Actual	2020 Actual
Own-Source			
Taxation			
Individual income	2,605,400	2,463,322	2,629,064
Provincial sales	1,996,000	2,100,523	2,205,842
Property	767,100	778,967	773,973
Fuel	444,000	441,696	507,878
Corporation income	780,900	440,134	787,451
Tobacco	187,700	204,255	206,794
Other[1]	421,700	453,077	442,270
Total Taxation	7,202,800	6,881,974	7,553,272
Non-Renewable Resources			
Potash	469,400	421,619	554,426
Oil and natural gas	175,100	378,184	667,791
Resource surcharge	252,400	263,145	413,344
Crown land sales	12,500	6,652	17,127
Other	88,000	38,174	97,610
Total Non-Renewable Resources[2]	997,400	1,107,774	1,750,298
Net Income from Government Business Enterprises *(schedule 3)*	728,800	1,278,141	855,369
Other Own-Source			
Fees[3]	1,043,000	1,183,916	1,200,173
Insurance	277,600	273,686	279,282
Investment	105,700	151,067	118,644
Transfers from other governments	72,200	81,954	77,509
Miscellaneous[4]	434,600	432,328	462,784
Total Other Own-Source	1,933,100	2,122,951	2,138,392
Total Own-Source	10,862,100	11,390,840	12,297,331
Transfers from the Federal Government			
Canada Health Transfer	1,301,900	1,296,516	1,262,739
Canada Social Transfer	467,100	465,196	456,202
Other[5]	1,017,600	1,371,357	870,865
Total Transfers from the Federal Government	2,786,600	3,133,069	2,589,806
Total Revenue	13,648,700	14,523,909	14,887,137

[1] Includes $158.8 million (2020 - $159.6 million) for corporate capital tax; $155.7 million (2020 - $151.4 million) for insurance premium tax; and $93.3 million (2020 - $91.6 million) for liquor consumption tax.

[2] Includes taxes of $351.9 million (2020 - $505.8 million).

[3] Includes $250.6 million (2020 - $280.7 million) for health care; $199.3 million (2020 - $204.3 million) for motor vehicle licensing; $150.6 million (2020 - $166.5 million) for education; $106.7 million (2020 - $109.1 million) for subsidized housing rental; and $102.8 million (2020 - $104.5 million) for real property sales and leases.

[4] Includes $79.6 million (2020 - $93.9 million) for donations; $72.6 million (2020 - $61.9 million) for lottery profits; and $13.1 million (2020 - $12.6 million) for reversals of prior year expenses.

[5] Includes $216.7 million (2020 - $224.9 million) for crop insurance; $179.0 million (2020 - $177.5 million) for infrastructure; $99.9 million (2020 - $79.9 million) for labour market initiatives; and $60.9 million (2020 - $82.2million) for agricultural income stability. Additionally, included for 2020-21 is COVID-related funding, largely comprised of: $338.1 million to protect the health of Canadians; $74.9 million for pandemic-response supports in schools; $65.9 million for an economic stimulus program to accelerate the reclamation of inactive wells; and $53.2 million to temporarily top-up wages for essential workers.

Expense by Object

Schedule 14

For the Year Ended March 31, 2021
(thousands of dollars)

	2021	2020
Salaries and benefits	6,771,234	6,770,919
Transfers[1]	4,894,993	4,520,424
Operating costs	2,583,112	2,592,957
Financing charges (*schedule 15*)	720,829	674,967
Amortization of tangible capital assets (*schedule 12*)	630,206	597,072
Other	50,568	50,123
Total Expense	15,650,942	15,206,462

1 Includes capital transfers of $426.4 million (2020 - $261.8 million).

Financing Charges

Schedule 15

For the Year Ended March 31, 2021
(thousands of dollars)

	2021	2020
Interest costs		
General debt[1]	480,514	452,726
Pension liabilities (*note 5*)	188,600	173,880
Obligations under long-term financing arrangements	45,646	31,058
Other costs	6,069	17,303
Total Financing Charges	720,829	674,967

1 Interest on general debt is presented net of $411.5 million (2020 - $410.2 million) in interest reimbursed by government business enterprises for debt borrowed by the General Revenue Fund specifically on their behalf.

Segmented Reporting

For the Year Ended March 31, 2021

(thousands of dollars)

	Health		Education		Social Services and Assistance		Protection of Persons and Property	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue								
Taxation	-	-	125,638	124,838	-	-	-	-
Non-renewable resources	-	-	-	-	-	-	-	-
Net income from government business enterprises (*schedule 3*)	-	-	-	-	-	-	-	-
Revenue from government entities	13,262	15,660	-	-	-	-	240	-
Other own-source	403,533	452,327	259,987	285,135	110,107	118,899	62,693	61,302
Transfers from the federal government	5,564	7,277	17,211	18,372	51,372	50,205	4,378	4,374
Total Revenue (*schedule 13*)	422,359	475,264	402,836	428,345	161,479	169,104	67,311	65,676
Expense								
Salaries and benefits[3]	3,750,968	3,413,000	1,849,863	2,067,409	166,673	166,025	349,439	327,434
Transfers	1,337,962	1,461,500	749,586	723,191	1,078,432	1,081,719	264,627	266,059
Operating costs	1,086,851	1,021,393	542,621	572,069	177,825	169,445	181,681	171,916
Financing charges[3] (*schedule 15*)	-	-	-	-	-	-	-	-
Amortization of tangible capital assets (*schedule 12*)	151,503	144,055	135,541	136,126	19,650	20,692	19,391	19,230
Other	10,779	11,410	12,526	16,280	10,507	3,177	4,571	4,595
Total expense by segment	6,338,063	6,051,358	3,290,137	3,515,075	1,453,087	1,441,058	819,709	789,234
Eliminations[2]	-	-	(13,262)	(13,513)	(4,710)	(4,710)	-	(2,147)
Total Expense[3] (*schedule 14*)	6,338,063	6,051,358	3,276,875	3,501,562	1,448,377	1,436,348	819,709	787,087

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 *Other* includes the economic development, general government and the environment and natural resources themes. Revenue includes all public monies paid into the General Revenue Fund as well as net income from government business enterprises.

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 within each segment.

3 Includes a total of $253.0 million (2020 - $653.1 million) for pension expense as follows:

	Health		Education		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Salaries and benefits	196,783	193,552	(127,682)	139,741	(4,675)	145,935	64,426	479,228
Financing charges (*schedule 15*)	-	-	-	-	188,600	173,880	188,600	173,880
Total pension expense (recovery) (*note 5*)	196,783	193,552	(127,682)	139,741	183,925	319,815	253,026	653,108

Schedule 16

Community Development		Transportation		Agriculture		Other[1]		Eliminations[2]		Total	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
4,809	5,072	-	-	-	-	6,751,527	7,423,362	-	-	6,881,974	7,553,272
-	-	-	-	-	-	1,107,774	1,750,298	-	-	1,107,774	1,750,298
-	-	-	-	-	-	1,278,141	855,369	-	-	1,278,141	855,369
-	-	-	-	4,466	36,288	34,138	37,087	(52,106)	(89,035)	-	-
105,655	88,603	5,178	505	261,082	267,755	914,716	857,986	-	5,880	2,122,951	2,138,392
1,846	2,971	-	-	249,603	278,182	2,803,095	2,228,425	-	-	3,133,069	2,589,806
112,310	96,646	5,178	505	515,151	582,225	12,889,391	13,152,527	(52,106)	(83,155)	14,523,909	14,887,137
33,769	32,215	79,627	77,084	64,731	67,988	476,164	619,764	-	-	6,771,234	6,770,919
721,003	568,187	136,790	96,579	198,827	232,635	425,384	109,058	(17,618)	(18,504)	4,894,993	4,520,424
36,269	35,316	180,617	173,339	260,493	329,763	127,289	129,307	(10,534)	(9,591)	2,583,112	2,592,957
-	-	-	-	-	-	725,295	711,255	(4,466)	(36,288)	720,829	674,967
7,419	7,102	222,408	196,777	3,595	2,998	70,699	70,092	-	-	630,206	597,072
454	3,999	1,024	1,712	(1,712)	1,994	12,419	6,956	-	-	50,568	50,123
798,914	646,819	620,466	545,491	525,934	635,378	1,837,250	1,646,432	(32,618)	(64,383)	15,650,942	15,206,462
(6,327)	(5,384)	(3,613)	-	-	(2,341)	(4,706)	(36,288)	32,618	64,383	-	-
792,587	641,435	616,853	545,491	525,934	633,037	1,832,544	1,610,144	-	-	15,650,942	15,206,462

Supplemental Cash Flow Information

Schedule 17

For the Year Ended March 31, 2021
(thousands of dollars)

	2021	2020
Other Non-Cash Items Included in the Deficit		
Amortization of tangible capital assets (*schedule 12*)	630,206	597,072
Write-downs of tangible capital assets (*schedule 12*)	6,676	11,501
Net gain on disposal of tangible capital assets	(16)	(6,076)
Net loss on adjustments to tangible capital assets *(schedule 12)*	1,000	44,931
Net increase to provision for loss on accounts receivable and loans receivable	30,810	18,085
Net (gain) loss on other investments[1]	(39,508)	3,298
Earnings retained in sinking funds (*schedule 9*)	(49,981)	(38,026)
Net foreign exchange loss	1,134	4,217
Total Other Non-Cash Items Included in the Deficit	580,321	635,002
Net Change in Non-Cash Operating Activities		
(Increase) decrease in accounts receivable	(112,231)	165,571
Decrease in other financial assets	8	2,275
Increase (decrease) in accounts payable and accrued liabilities	145,545	(236,964)
Increase in unearned revenue	347,504	30,856
Decrease in pension liabilities	(576,476)	(170,226)
Increase in unamortized debt-related costs	139,102	117,759
Increase in inventories held for consumption	(53,883)	(7,654)
Increase in prepaid expenses	(5,127)	(3,611)
Net Change in Non-Cash Operating Activities	(115,558)	(101,994)

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

	2021	2020
(Income) loss from equities and pooled funds	(31,245)	8,695
Gain on sale of bonds and equities	(8,218)	(5,291)
Amortization of bond premiums and discounts	(45)	(106)
Net (gain) loss on other investments	(39,508)	3,298

Other Supplemental Information

	2021	2020 (Restated)
Cash interest paid during the year[1]	367,157	348,080
Cash interest received during the year	43,464	62,289

[1] Includes debt-related issuance costs, primarily consisting of net premiums of $165.1 million (2019-20 - $130.4 million) on debt issued during the year, which partially offset the amount of cash interest paid.

Government Reporting Entity

Schedule 18

For the Year Ended March 31, 2021

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 segments which are 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. [4]
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*) [4]
Saskatchewan Health Research Foundation
Saskatchewan Immigrant Investor Fund Inc.
Saskatchewan Opportunities Corporation
Saskatchewan Research Council [2a]
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
- 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
- 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 Research Council[2b]
Saskatchewan Technology Fund
Water Appeal Board [4]
Water Security Agency

General Government [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 SaskBuilds and Procurement [5a]
Ministry of Finance [2a]
Ministry of Government Relations [2b]
Ministry of Highways [2b 5b]
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

Health

eHealth Saskatchewan
Health Quality Council
Health Sector Affiliates
- 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

Government Reporting Entity *(continued)*

Schedule 18

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, Policing and Public Safety [5c]
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 [2a 5b]
Transportation Partnerships Fund

Government Business Enterprises (Modified Equity)

Utility [3]

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

Insurance & Financing [3]

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

Liquor & Gaming [3]

Liquor and Gaming Authority
Saskatchewan Gaming Corporation

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1 The year-ends of certain entities differ from March 31, 2021: [a] April 30, 2020; [b] June 30, 2020; [c] August 31, 2020; [d] December 31, 2020.
2 Activities are allocated across more than one theme: [a] primary activity; [b] secondary activity.
3 Included in Other for segment disclosure (*schedule 16).*
4 Entity wound-up during 2020-21.
5 During 2020-21, Ministry's name changed from: [a] Central Services; [b] Highways and Infrastructure; [c] Corrections and Policing.

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 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 (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.

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. Partnerships are proportionately consolidated in the SFS.

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 partnerships in the SFS in which the accounts of 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.