

The Honourable Donna Harpauer  
Minister of Finance



SASKATCHEWAN BUDGET UPDATE

**17-18**

**MEETING THE  
CHALLENGE**

**THIRD QUARTER  
FINANCIAL REPORT**

2017-18 Third Quarter Financial Report  
Government of Saskatchewan  
March 2, 2018

# INTRODUCTION

## 2017-18 Third Quarter Financial Report

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At third quarter, expectations of the province's 2017 economic performance and 2017-18 financial position remain consistent with mid-year projections.

The Saskatchewan economy performed well in 2017 and remains on track to post positive growth for the first time in two years.

In 2017, total employment was down and crop production was affected by hot and dry weather. Nonetheless, most 2017 key indicators have been positive.

Manufacturing sales and building permits have posted double-digit growth while there have been substantial increases in exports, sales of new vehicles, wholesale trade and retail sales.

And, the outlook for 2018 remains positive.

Private sector forecasters, on average, are projecting Saskatchewan real GDP growth of 2.0 per cent in 2017 and 2.1 per cent in 2018.

To facilitate comparison between the published third quarter forecast and actual financial results for 2017-18, the third quarter financial update is presented on the same basis as the Public Accounts. That is, expense and deficit forecasts include pension costs on an accrual basis.

At third quarter, revenue is down a further \$168.9 million from the mid-year projection, reflecting a further decline in taxation revenue and reduced federal transfers, partially offset by increases in GBE net income, non-renewable resource revenue and other own sources.

Expense, including the previously excluded adjustment to account for pensions on an accrual basis, is down \$155.3 million from the mid-year projection, largely reflecting a further reduction in Crop Insurance payouts.

As a result, a deficit of \$595.0 million is now forecast for 2017-18. This is a \$13.6 million deterioration from the adjusted mid-year projection, but a \$101.0 million improvement from budget.

A complete reconciliation of the adjustments to the budget and mid-year projections is included in Appendix A.

# ECONOMIC UPDATE

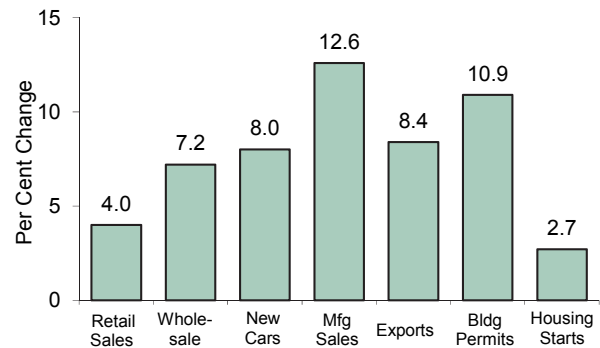
## 2017 Performance

Following two consecutive years of negative growth due to low commodity prices and modest global growth, the Saskatchewan economy is expected to post positive growth in 2017.

Although total employment was down slightly and crop production was affected by hot and dry weather conditions, many other indicators were positive.

- Manufacturing sales grew by 12.6 per cent, the fourth-highest percentage increase among provinces.
- Sales of new motor vehicles were up by 8.0 per cent, also the fourth-highest percentage increase among provinces.

### KEY ECONOMIC INDICATORS (2017 over 2016)



- In addition, the value of building permits, international goods exports, wholesale and retail trade were up substantially in 2017, as were oil and potash production.

### SASKATCHEWAN ECONOMIC INDICATORS

	2016 Actual	2017 Actual	2017 % Change	2017 Rank	2011 to 2017		
					Saskatchewan % Change	Saskatchewan Rank	Canada % Change
Population at October 1 (000s)	1,153.6	1,168.1	1.3	6th	9.1	2nd	7.0
Employment (000s)	568.5	567.6	(0.2)	9th	5.9	5th	6.9
Unemployment Rate (%)	6.3	6.3	6.3	5th lowest	5.0	lowest	7.0
Consumer Price Index (2002=100)	132.2	134.4	1.7	5th	10.2	2nd	8.8
Average Weekly Earnings (\$)	988.4	1,009.8	2.2	4th	15.4	2nd	11.6
Retail Sales (\$B)	19.1	19.9	4.0	8th	22.9	5th	28.6
Wholesale Trade (\$B)	25.3	27.1	7.2	8th	26.4	6th	31.7
New Motor Vehicle Sales (# of Units)	52,099	56,265	8.0	4th	10.2	9th	28.2
Manufacturing Sales (\$B)	14.1	15.9	12.6	4th	25.4	3rd	14.2
International Exports (\$B)	26.6	28.9	8.4	5th	(2.3)	8th	19.7
Building Permits (\$B)	2.0	2.2	10.9	7th	(16.4)	9th	28.3
Housing Starts (# of Units)	4,775	4,904	2.7	9th	(30.3)	8th	13.3
Investment in New Housing							
Construction (\$B)	1.2	1.2	(1.0)	9th	(17.8)	8th	39.6
Investment in Non-residential							
Building Construction (\$B)	2.0	1.7	(14.8)	10th	12.9	3rd	9.2

Source: Statistics Canada

Saskatchewan's population continues to grow. Between October 1, 2016 and October 1, 2017, Saskatchewan's population increased by 14,467 persons. It was estimated to be 1,168,057 as of October 1, 2017, according to Statistics Canada.

For 2018, the outlook remains positive.

The most recent employment figures released by Statistics Canada showed Saskatchewan employment up by 1,500 in January 2018 over January 2017.

Private sector forecasters, on average, expect Saskatchewan real GDP to grow by 2.0 per cent in 2017 and 2.1 per cent in 2018.

**PRIVATE SECTOR REAL GDP GROWTH FORECASTS FOR SASKATCHEWAN\***  
(Per Cent Change)

	2017	2018	Cumulative Growth	Release Date
IHS Global Insight	2.0	2.2	4.2	Jan-18
Conference Board of Canada	2.1	1.6	3.7	Nov-17
The Centre for Spatial Economics	1.7	2.0	3.7	Feb-18
TD Bank	1.9	1.9	3.8	Dec-17
RBC	2.1	2.7	4.9	Dec-17
BMO	1.7	2.0	3.7	Dec-17
CIBC	2.2	2.1	4.3	Dec-17
Scotiabank	1.9	2.1	4.0	Jan-18
National Bank	2.2	2.0	4.2	Feb-18
Laurentian Bank	1.8	2.2	4.0	Feb-18
Average of Private Sector Forecasts	<b>2.0</b>	<b>2.1</b>	<b>4.1</b>	
<b>2017-18 Mid-year</b>	<b>1.5</b>	<b>2.2</b>	<b>3.7</b>	

\* As of February 23, 2018

# 2017-18 BUDGET UPDATE

## Third Quarter

### OVERVIEW

The third quarter financial update is presented on the same basis as the Public Accounts as it applies to pension expense.

Pension costs on an accrual basis are included in expense and deficit calculations in the third quarter update.

This change is being made to facilitate an easier comparison between in-year forecasts and actual financial results that will be published in the Public Accounts after the close of the fiscal year.

The previously published budget and mid-year figures, which excluded the pension adjustment from expense and deficit calculations, have been restated to include full pension expense. A complete reconciliation is provided in Appendix A.

#### ADJUSTED BUDGET AND MID-YEAR DEFICIT

<i>(Millions of Dollars)</i>	Budget	Mid-Year Projection
<b>Deficit, as originally published</b>	<b>(684.7)</b>	<b>(679.0)</b>
Pension Adjustment	(11.3)	97.6
<b>Deficit, adjusted</b>	<b>(696.0)</b>	<b>(581.4)</b>

At third quarter, total revenue is forecast to decrease \$168.9 million from the mid-year projection.

Total expense, including the adjustment to account for pensions on an accrual basis, is forecast to decline by \$155.3 million relative to the mid-year projection.

#### 2017-18 DEFICIT RECONCILIATION

*(Millions of Dollars)*

<b>2017-18 Adjusted Mid-Year Projection</b>	<b>(581.4)</b>
Forecast Changes from Mid-Year:	
Total Revenue	(168.9)
Total Expense <sup>1</sup>	(155.3)
<b>Total Forecast Changes from Mid-Year</b>	<b>(13.6)</b>
<b>2017-18 Third Quarter Deficit Forecast</b>	<b>(595.0)</b>

<sup>1</sup> including full pension expense

As a result of these forecast changes, a deficit of \$595.0 million is now forecast for 2017-18. This is a \$13.6 million deterioration from mid-year, but a \$101.0 million improvement from budget.

## REVENUE UPDATE

At third quarter, revenue is forecast to decrease \$168.9 million from the mid-year projection, for a total decrease of \$222.1 million from budget.

The change from the mid-year projection reflects a further decline in taxation revenue and reduced federal transfers, partially offset by increases in GBE net income, non-renewable resource revenue and other own sources.

Significant changes from mid-year are described below.

### 2017-18 REVENUE RECONCILIATION

(Millions of Dollars)

<b>2017-18 Mid-Year Projection</b>	<b>14,111.9</b>
Forecast Changes from Mid-Year:	
Taxation	(309.3)
Non-Renewable Resources	37.4
Other Own-Source	70.6
Federal Transfers	(59.6)
GBE Net Income	92.0
<b>Total Change from Mid-Year</b>	<b>(168.9)</b>
<b>2017-18 Third Quarter Forecast</b>	<b>13,943.0</b>

**Taxation revenue** is forecast to decrease \$309.3 million from mid-year, for a total reduction of \$490.3 million from budget.

Individual Income Tax and Corporation Income Tax are forecast to decrease an additional \$118.8 million and \$100.2 million from mid-year, respectively. The decline reflects further weakness in personal and corporate tax assessments

for the 2016 tax year, as well as a decline in the federal forecast of the national corporate income tax base.

The Provincial Sales Tax (PST) forecast has been reduced by \$65.0 million as a result of the elimination of the PST on agricultural, health and life insurance premiums.

Tobacco Tax revenue is now forecast to decrease \$20.0 million, reflecting lower-than-budgeted revenue through the first three quarters of the fiscal year.

**Non-renewable resources revenue** is forecast to increase \$37.4 million from mid-year, for a total increase of \$13.3 million from budget.

Oil and natural gas revenue is forecast to increase \$42.1 million, nearly reversing the decline reported at mid-year.

West Texas Intermediate (WTI) oil prices strengthened over the third quarter, and prices are now forecast to average US\$52.60 in 2017-18, up from US\$50.25 at mid-year.

The value of the Canadian dollar is now expected to average 77.82 U.S. cents in 2017-18, down slightly from the mid-year assumption of 78.05 U.S. cents.

These increases have been partially offset by a wider light-heavy differential in recent months. Nonetheless, well-head oil prices in Canadian dollars are forecast at \$51.62 at third quarter, an increase of \$2.76 since mid-year.

## 2017-18 NON-RENEWABLE RESOURCES FORECAST ASSUMPTIONS

	Budget	Mid-Year Projection	Third Quarter Forecast	Third Quarter Change from	
				Budget	Mid-Year
WTI Oil Price (US\$/barrel)	56.25	50.25	52.60	(3.65)	2.35
Light-Heavy Differential (% of WTI)	19.5	15.7	17.3	(2.2)	1.6
Well-head Oil Price (C\$/barrel) <sup>1</sup>	55.30	48.86	51.62	(3.68)	2.76
Oil Production (million barrels)	163.8	180.7	177.0	13.2	(3.7)
Potash Price (mine netback, US\$/KCl tonne) <sup>2</sup>	176	185	183	7	(2)
Potash Price (mine netback, C\$/K <sub>2</sub> O tonne) <sup>2</sup>	386	388	388	2	-
Potash Sales (million K <sub>2</sub> O tonnes) <sup>2</sup>	11.8	11.8	12.2	0.4	0.4
Uranium Price (C\$/Kg) <sup>2</sup>	124	108	104	(20)	(4)
Canadian Dollar (US cents)	74.95	78.05	77.82	2.87	(0.23)

<sup>1</sup> The average price per barrel of Saskatchewan light, medium and heavy oil.

<sup>2</sup> Ministry of Finance calculations derived from calendar-year forecasts.

Potash royalties are forecast to increase \$21.8 million from mid-year, primarily due to lower industry operating costs and capital spending deductions that result in higher royalties payable. The potash price forecast is virtually unchanged from mid-year at US\$183 per KCl tonne (C\$388 per K<sub>2</sub>O tonne).

Other non-renewable resources revenue is forecast to decrease \$14.9 million from mid-year, largely due to lower uranium sales, while Crown land sales finished the fiscal year \$11.6 million lower than forecast at mid-year.

**Other own-source revenue** is forecast to increase \$70.6 million from mid-year, for a total increase of \$133.3 million from budget.

Fee revenue is up \$40.5 million from mid-year, largely reflecting increases in forestry fee revenue and agricultural land lease revenue in the General Revenue Fund (GRF), as well as small increases at

the Saskatchewan Health Authority and the Boards of Education.

Miscellaneous revenue is up \$32.7 million from mid-year, primarily due to higher refunds of prior-year expenses.

**Transfers from the federal government** are forecast to decrease \$59.6 million from mid-year, for a total decrease of \$11.2 million from budget. The decline is largely due to lower federal contributions for AgriStability due to a lower indemnity forecast and lower infrastructure funding due to changes in project timelines.

**Government Business Enterprise (GBE) net income** is forecast to increase \$92.0 million from mid-year, for a total increase of \$132.8 million from budget.

Workers' Compensation Board net income is forecast to increase \$86.5 million from mid-year due to higher investment returns and lower claims costs.



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Saskatchewan Auto Fund net income is forecast to increase \$36.7 million from mid-year mainly due to higher investment earnings, partially offset by increased claims.

SaskEnergy net income is forecast to increase by \$19.4 million, primarily due to higher natural gas sales.

Saskatchewan Liquor and Gaming Authority net income is forecast to decrease \$41.7 million as a result of lower VLT activity and liquor sales.

SaskPower net income is forecast to decline by \$6.1 million mainly due to lower electricity sales and the approval of a lower-than-forecast rate increase.

All other GBE net income is forecast to decrease by a combined total of \$2.8 million.

## EXPENSE UPDATE

The third quarter expense forecast includes the full cost of pensions – the previously excluded adjustment to account for pension costs on an accrual basis is now included in expense. Budget and mid-year expense have been restated, impacting Education, Debt Charges and Other expense. A complete reconciliation can be found in Appendix A.

At third quarter, expense is forecast to decrease \$155.3 million from the mid-year projection, for a total decrease of \$273.1 million from budget.

Significant changes from mid-year are described below.

### 2017-18 EXPENSE RECONCILIATION

(Millions of Dollars)

<b>2017-18 Adjusted Mid-Year Projection</b>	<b>14,693.3</b>
Forecast Changes from Mid-Year:	
Agriculture	(164.2)
Community Development	(38.5)
Education	(18.9)
Debt Charges	(9.0)
Economic Development	(7.6)
Health	66.1
Protection of Persons and Property	26.6
All other expense themes	(9.8)
<b>Total Change from Mid-Year</b>	<b>(155.3)</b>
<b>2017-18 Third Quarter Forecast</b>	<b>14,538.0</b>

**Agriculture** expense is forecast to be down \$164.2 million from mid-year primarily due to further reductions in Crop Insurance indemnities, as well as lower AgriStability indemnities.

**Community Development** expense is forecast to be down \$38.5 million from mid-year, largely due to reduced municipal infrastructure costs related to changes and delays in project timelines.

**Education** expense is forecast to be down \$18.9 million from mid-year, primarily due to lower requirements for teachers' pensions and benefits, partially offset by \$7.5 million of new funding for school divisions to deal with front-line pressures.

**Debt Charges** expense is forecast to be down \$9.0 million from mid-year as a result of lower-than-budgeted interest rates on long-term borrowing.

**Economic Development** expense is forecast to be down \$7.6 million from mid-year, primarily as a result of operational savings at the former Ministry of the Economy and lower activity at the Saskatchewan Research Council.

**Health** expense is forecast to be up \$66.1 million from mid-year, largely due to utilization pressures at the Saskatchewan Health Authority (previously the Regional Health Authorities).

**Protection of Persons and Property** expense is forecast to be up \$26.6 million from mid-year due to higher court system utilization and Provincial Disaster Assistance Program claims.

**All other expense themes** are forecast to be down a combined \$9.8 million from mid-year, reflecting minor net savings.

## DEBT UPDATE

The Province's debt consists of:

- Government Service Organization Debt – all debt of government entities other than government business enterprises; and,
- Government Business Enterprise Debt – amounts borrowed by self-sufficient government organizations.

Government business enterprises have the financial and operating authority to sell goods and services to individuals and organizations outside government as their principal activity.

Amounts borrowed by these entities are classified separately because they are expected to be repaid from cash flows generated by these business enterprises.

In other words, this debt has been incurred to finance the business activities of Crown corporations, and it is supported by revenue from those Crown business activities.

Public debt is comprised of:

- Gross Debt – the amount of money owed to lenders; less,
- Sinking Funds – the amount of money which has been set aside for the repayment of debt.

Public debt at March 31, 2018 is forecast to be \$448.2 million lower than budgeted, primarily due to decreased debt for government business enterprises.

### 2017-18 PUBLIC DEBT UPDATE - THIRD QUARTER

As at March 31

(Millions of Dollars)

	Budget	Third Quarter Forecast	Change
General Revenue Fund			
- Operating	5,750.0	5,750.0	-
- Saskatchewan Builds Capital Plan	2,755.6	2,751.7	(3.9)
Other Government Service Organizations	556.9	526.1	(30.8)
<b>Government Service Organization Debt</b>	<b>9,062.5</b>	<b>9,027.8</b>	<b>(34.7)</b>
<b>Government Business Enterprise Debt</b>	<b>9,137.5</b>	<b>8,724.0</b>	<b>(413.5)</b>
<b>Public Debt</b>	<b>18,200.0</b>	<b>17,751.8</b>	<b>(448.2)</b>
<b>Guaranteed Debt</b>	<b>27.0</b>	<b>22.5</b>	<b>(4.5)</b>

# 2017-18 BUDGET UPDATE

## Financial Schedules

### 2017-18 BUDGET UPDATE - THIRD QUARTER

(Millions of Dollars)

	Adjusted Budget <sup>1</sup>	Adjusted Mid-Year Projection <sup>1</sup>	Third Quarter Forecast	Third Quarter Change from	
				Budget	Mid-Year
<b>Revenue</b>					
Taxation	7,286.6	7,105.6	<b>6,796.3</b>	(490.3)	(309.3)
Non-renewable resources	1,406.4	1,382.3	<b>1,419.7</b>	13.3	37.4
Other own-source revenue	1,964.9	2,027.6	<b>2,098.2</b>	133.3	70.6
Transfers from the federal government	2,453.5	2,501.9	<b>2,442.3</b>	(11.2)	(59.6)
Net income from government business enterprises	1,053.7	1,094.5	<b>1,186.5</b>	132.8	92.0
<b>Total Revenue</b>	<b>14,165.1</b>	<b>14,111.9</b>	<b>13,943.0</b>	<b>(222.1)</b>	<b>(168.9)</b>
<b>Expense</b>					
Agriculture	800.5	709.6	<b>545.4</b>	(255.1)	(164.2)
Community development	700.6	702.1	<b>663.6</b>	(37.0)	(38.5)
Debt charges	605.7	612.3	<b>603.3</b>	(2.4)	(9.0)
Economic development	246.0	244.3	<b>236.7</b>	(9.3)	(7.6)
Education	3,531.0	3,468.3	<b>3,449.4</b>	(81.6)	(18.9)
Environment and natural resources	247.9	262.3	<b>259.6</b>	11.7	(2.7)
Health	5,627.4	5,663.9	<b>5,730.0</b>	102.6	66.1
Protection of persons and property	643.7	654.0	<b>680.6</b>	36.9	26.6
Social services and assistance	1,356.7	1,385.7	<b>1,381.0</b>	24.3	(4.7)
Transportation	567.4	546.7	<b>544.9</b>	(22.5)	(1.8)
Other	484.2	444.1	<b>443.5</b>	(40.7)	(0.6)
<b>Total Expense before Adjustments</b>	<b>14,811.1</b>	<b>14,693.3</b>	<b>14,538.0</b>	<b>(273.1)</b>	<b>(155.3)</b>
<b>Adjustments</b>					
Human resources compensation measures	250.0	-	-	(250.0)	-
Contingency	(300.0)	-	-	300.0	-
<b>Deficit</b>	<b>(696.0)</b>	<b>(581.4)</b>	<b>(595.0)</b>	<b>101.0</b>	<b>(13.6)</b>

<sup>1</sup> The Third Quarter Forecast is presented on the same basis as the Public Accounts to include pension costs on an accrual basis in expense. Budget and mid-year figures have been restated to the same basis (see Appendix A).

**2017-18 SCHEDULE OF PUBLIC DEBT**

As at March 31

(Millions of Dollars)

	Budget	Mid-Year Projection	Third Quarter Forecast	Third Quarter Change from	
				Budget	Mid-Year
<b>Government Service Organization Debt</b>					
General Revenue Fund					
- Operating	5,750.0	<b>5,750.0</b>	<b>5,750.0</b>	-	-
- Saskatchewan Builds Capital Plan <sup>1</sup>	2,755.6	<b>2,755.6</b>	<b>2,751.7</b>	(3.9)	(3.9)
Boards of Education	174.8	<b>175.2</b>	<b>175.2</b>	0.4	-
Global Transportation Hub Authority	26.0	<b>32.3</b>	<b>37.3</b>	11.3	5.0
Regional Health Authorities	154.0	<b>107.0</b>	<b>107.0</b>	(47.0)	-
Saskatchewan Housing Corporation	17.4	<b>17.4</b>	<b>17.6</b>	0.2	0.2
Saskatchewan Immigrant Investor Fund Inc.	89.6	<b>90.0</b>	<b>90.1</b>	0.5	0.1
Saskatchewan Opportunities Corporation	56.0	<b>56.0</b>	<b>56.0</b>	-	-
Water Security Agency	37.1	<b>37.1</b>	<b>37.1</b>	-	-
Other	2.0	<b>5.8</b>	<b>5.8</b>	3.8	-
<b>Government Service Organization Debt</b>	<b>9,062.5</b>	<b>9,026.4</b>	<b>9,027.8</b>	<b>(34.7)</b>	<b>1.4</b>
<b>Government Business Enterprise Debt</b>					
Municipal Financing Corporation of Saskatchewan	208.9	<b>208.9</b>	<b>209.1</b>	0.2	0.2
Saskatchewan Liquor and Gaming Authority	104.7	<b>104.7</b>	<b>104.7</b>	-	-
Saskatchewan Power Corporation	6,422.4	<b>6,191.2</b>	<b>6,132.5</b>	(289.9)	(58.7)
Saskatchewan Telecommunications Holding Corporation	967.4	<b>954.1</b>	<b>945.2</b>	(22.2)	(8.9)
Saskatchewan Water Corporation	78.3	<b>68.8</b>	<b>64.6</b>	(13.7)	(4.2)
SaskEnergy Incorporated	1,355.8	<b>1,322.6</b>	<b>1,267.9</b>	(87.9)	(54.7)
<b>Government Business Enterprise Debt<sup>2</sup></b>	<b>9,137.5</b>	<b>8,850.3</b>	<b>8,724.0</b>	<b>(413.5)</b>	<b>(126.3)</b>
<b>Public Debt<sup>3</sup></b>	<b>18,200.0</b>	<b>17,876.7</b>	<b>17,751.8</b>	<b>(448.2)</b>	<b>(124.9)</b>
<b>Guaranteed Debt</b>	<b>27.0</b>	<b>22.5</b>	<b>22.5</b>	<b>(4.5)</b>	<b>-</b>

<sup>1</sup> General Revenue Fund - Saskatchewan Builds Capital Plan consists of amounts borrowed by the General Revenue Fund to finance investment in infrastructure assets.

<sup>2</sup> GBE debt includes both general debt and GBE-specific debt. General debt of GBEs is the amount transferred from the General Revenue Fund to a GBE and recorded as a loan receivable in the Summary Financial Statements. GBE-specific debt is debt issued by, or specifically on behalf of, GBEs. GBE-specific debt is included in "Investment in government business enterprises" in the Summary Financial Statements.

<sup>3</sup> Public debt is shown net of sinking funds. Debt repayable in foreign currency is restated in equivalent Canadian dollars.

**2017-18 SCHEDULE OF REVENUE**  
(Millions of Dollars)

	Budget	Mid-Year Projection	Third Quarter Forecast	Third Quarter Change from	
				Budget	Mid-Year
<b>Taxation</b>					
Corporation Income	729.4	690.4	590.2	(139.2)	(100.2)
Fuel	515.4	535.4	535.4	20.0	-
Individual Income	2,540.6	2,430.6	2,311.8	(228.8)	(118.8)
Property	753.9	755.9	750.6	(3.3)	(5.3)
Provincial Sales	2,049.5	1,994.5	1,929.5	(120.0)	(65.0)
Tobacco	280.3	280.3	260.3	(20.0)	(20.0)
Other	417.5	418.5	418.5	1.0	-
<b>Total Taxation</b>	<b>7,286.6</b>	<b>7,105.6</b>	<b>6,796.3</b>	<b>(490.3)</b>	<b>(309.3)</b>
<b>Non-Renewable Resources</b>					
Crown Land Sales	52.0	76.1	64.5	12.5	(11.6)
Oil and Natural Gas	670.4	619.1	661.2	(9.2)	42.1
Potash	260.6	276.9	298.7	38.1	21.8
Resource Surcharge	272.5	297.5	297.5	25.0	-
Other	150.9	112.7	97.8	(53.1)	(14.9)
<b>Total Non-Renewable Resources</b>	<b>1,406.4</b>	<b>1,382.3</b>	<b>1,419.7</b>	<b>13.3</b>	<b>37.4</b>
<b>Other Own-Source Revenue</b>					
Fees	1,124.4	1,112.9	1,153.4	29.0	40.5
Insurance	282.3	298.2	297.8	15.5	(0.4)
Investment Income	80.7	107.8	105.5	24.8	(2.3)
Transfers from Other Governments	89.7	96.7	96.8	7.1	0.1
Miscellaneous	387.8	412.0	444.7	56.9	32.7
<b>Total Other Own-Source Revenue</b>	<b>1,964.9</b>	<b>2,027.6</b>	<b>2,098.2</b>	<b>133.3</b>	<b>70.6</b>
<b>Transfers from the Federal Government</b>					
Canada Health Transfer	1,161.2	1,176.1	1,176.1	14.9	-
Canada Social Transfer	429.8	435.3	435.3	5.5	-
Other	862.5	890.5	830.9	(31.6)	(59.6)
<b>Total Transfers from the Federal Government</b>	<b>2,453.5</b>	<b>2,501.9</b>	<b>2,442.3</b>	<b>(11.2)</b>	<b>(59.6)</b>
<b>Net Income from Government Business Enterprises</b>					
Municipal Financing Corporation	0.8	0.7	0.7	(0.1)	-
Saskatchewan Auto Fund	65.3	105.9	142.6	77.3	36.7
Saskatchewan Gaming Corporation	23.5	23.8	22.4	(1.1)	(1.4)
Saskatchewan Government Insurance	37.2	60.2	58.8	21.6	(1.4)
Saskatchewan Liquor and Gaming Authority	523.3	521.3	479.6	(43.7)	(41.7)
Saskatchewan Power Corporation	179.5	144.2	138.1	(41.4)	(6.1)
Saskatchewan Telecommunications Holding Corporation	122.1	122.1	122.1	-	-
Saskatchewan Water Corporation	5.8	7.1	7.2	1.4	0.1
SaskEnergy Incorporated	90.6	85.2	104.6	14.0	19.4
Saskatchewan Workers' Compensation Board	11.2	29.6	116.1	104.9	86.5
Consolidation Adjustments	(5.6)	(5.6)	(5.7)	(0.1)	(0.1)
<b>Total Net Income from Government Business Enterprises</b>	<b>1,053.7</b>	<b>1,094.5</b>	<b>1,186.5</b>	<b>132.8</b>	<b>92.0</b>
<b>Total Revenue</b>	<b>14,165.1</b>	<b>14,111.9</b>	<b>13,943.0</b>	<b>(222.1)</b>	<b>(168.9)</b>

# APPENDIX A

## Reconciliation of Adjusted Deficits

**ADJUSTED 2017-18 BUDGET**  
(Millions of Dollars)

<i>(Millions of Dollars)</i>	2017-18 Budget	Pension Accrual Adjustment	2017-18 Adjusted Budget
<b>Revenue</b>			
Taxation	7,286.6	-	7,286.6
Non-Renewable Resources	1,406.4	-	1,406.4
Other Own-Source Revenue	1,964.9	-	1,964.9
Transfers from the Federal Government	2,453.5	-	2,453.5
Net Income from Government Business Enterprises	1,053.7	-	1,053.7
<b>Total Revenue</b>	<b>14,165.1</b>	<b>-</b>	<b>14,165.1</b>
<b>Expense</b>			
Agriculture	800.5	-	800.5
Community Development	700.6	-	700.6
Debt Charges	380.9	224.8	605.7
Economic Development	246.0	-	246.0
Education	3,643.3	(112.3)	3,531.0
Environment and Natural Resources	247.9	-	247.9
Health	5,627.4	-	5,627.4
Protection of Persons and Property	643.7	-	643.7
Social Services and Assistance	1,356.7	-	1,356.7
Transportation	567.4	-	567.4
Other	585.4	(101.2)	484.2
<b>Total Expense before Adjustments</b>	<b>14,799.8</b>	<b>11.3</b>	<b>14,811.1</b>
<b>Adjustments</b>			
Human Resource Compensation Measures	250.0	-	250.0
Contingency	(300.0)	-	(300.0)
<b>Deficit</b>	<b>(684.7)</b>	<b>(11.3)</b>	<b>(696.0)</b>

**ADJUSTED 2017-18 MID-YEAR**  
(Millions of Dollars)

<i>(Millions of Dollars)</i>	<b>2017-18 Mid-Year Projection</b>	<b>Pension Accrual Adjustment</b>	<b>2017-18 Adjusted Mid-Year Projection</b>
<b>Revenue</b>			
Taxation	7,105.6	-	7,105.6
Non-Renewable Resources	1,382.3	-	1,382.3
Other Own-Source Revenue	2,027.6	-	2,027.6
Transfers from the Federal Government	2,501.9	-	2,501.9
Net Income from Government Business Enterprises	1,094.5	-	1,094.5
<b>Total Revenue</b>	<b>14,111.9</b>	<b>-</b>	<b>14,111.9</b>
<b>Expense</b>			
Agriculture	709.6	-	709.6
Community Development	702.1	-	702.1
Debt Charges	380.2	232.1	612.3
Economic Development	244.3	-	244.3
Education	3,655.6	(187.3)	3,468.3
Environment and Natural Resources	262.3	-	262.3
Health	5,663.9	-	5,663.9
Protection of Persons and Property	654.0	-	654.0
Social Services and Assistance	1,385.7	-	1,385.7
Transportation	546.7	-	546.7
Other	586.5	(142.4)	444.1
<b>Total Expense before Adjustments</b>	<b>14,790.9</b>	<b>(97.6)</b>	<b>14,693.3</b>
<b>Adjustments</b>			
Human Resource Compensation Measures	-	-	-
Contingency	-	-	-
<b>Deficit</b>	<b>(679.0)</b>	<b>97.6</b>	<b>(581.4)</b>



The Honourable Donna Harpauer  
Minister of Finance



SASKATCHEWAN BUDGET UPDATE

17-18

MEETING THE  
CHALLENGE

THIRD QUARTER  
FINANCIAL REPORT