



# PROVINCE OF SASKATCHEWAN

(CANADA)

## 2013-14 MID-YEAR FINANCIAL UPDATE

November 27, 2013

### GRF and Summary Statement remain in surplus

#### Summary Statement of Surplus (Deficit)

(\$ Millions)

	Estimated 2013-14	Forecast 2013-14	Change
<b>Treasury Board Organizations</b>			
<b>General Revenue Fund (GRF)</b>			
Revenue	\$11,607.3	\$11,573.4	\$ (33.9)
Expense	11,542.5	11,550.6	8.1
<b>Pre-Transfer Surplus</b>	<b>\$ 64.8</b>	<b>\$ 22.8</b>	<b>\$ (42.0)</b>
Net Transfer from (to) GFSF <sup>1</sup>	(32.4)	(11.4)	21.0
<b>GRF Surplus</b>	<b>\$ 32.4</b>	<b>\$ 11.4</b>	<b>\$ (21.0)</b>
Other TBO <sup>2</sup> Net (Loss) net of dividends to GRF*	(237.5)	(330.0)	(92.5)
(Deficit) Surplus of all TBO	\$ (205.1)	\$ (318.6)	\$ (113.5)
<b>CIC Board Organizations</b>			
CIC BO <sup>3</sup> Net Income (Loss) net of dividends to GRF	214.9	276.1	61.2
(Deficit) Surplus <sup>4</sup>	\$ 9.8	\$ (42.5)	\$ (52.3)
<b>Surplus of Not-for-Profit</b>			
Insurance Organizations	140.0	509.5	369.5
<b>Summary (Deficit) Surplus</b>	<b>\$ 149.8</b>	<b>\$ 467.0</b>	<b>\$ 317.2</b>

<sup>1</sup> Growth and Financial Security Fund

<sup>2</sup> Treasury Board Organizations

<sup>3</sup> CIC Board Organizations

<sup>4</sup> Prior to Not-for-Profit Insurance Organizations

\* Includes accrual adjustment for pensions

### Revenue projected to decline marginally from the 2013-14 Budget Estimate

Revenue is forecast to be \$33.9 million lower than the 2013-14 Budget Estimate due to:

- a \$107.2 million decrease in potash revenue;
- a \$60.0 million decrease in Provincial Sales Tax;
- a \$45.1 million decrease in Crown land sales;
- a \$17.5 million decrease in Saskatchewan Liquor and Gaming Authority net income; and,
- a \$6.0 million decrease in Fuel Tax; partially offset by
- a \$155.3 million increase in oil revenue;
- a \$25.5 million increase in Corporation Income Tax; and,
- a \$21.1 million increase in other net changes.

### Expenses on target with the 2013-14 Budget Estimate

Expenses are forecast to increase by \$8.1 million from the 2013-14 Budget Estimate due to:

- a \$43.6 million increase at Government Relations, primarily due to claims under the Provincial Disaster Assistance Program;
- a \$39.5 million increase at Social Services, primarily due to a higher-than-expected caseload in the Saskatchewan Assured Income for Disability program; and,
- a \$0.6 million increase for other minor pressures.

Partially offsetting the expense increases are projected savings of \$75.6 million across the rest of the GRF.

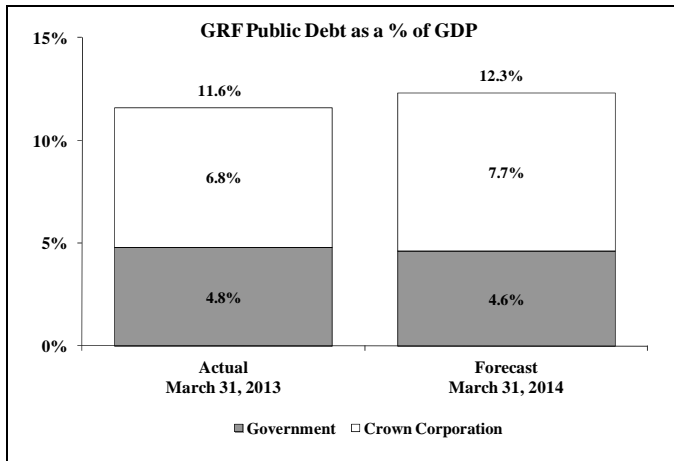
### Third highest real GDP growth in 2013 (private forecast average)

- Saskatchewan's population reached a new high of 1,108,303 on July 1, 2013, an increase of 20,757 from July 1, 2012.
- 19,200 jobs created in the first 10 months of 2013.
- Lowest unemployment rate in Canada.
- Highest growth in employment, average weekly earnings and wholesale trade.
- Second highest growth in manufacturing sales.
- Third highest growth in retail sales and investment in new housing construction.
- Record crop production of 34.3 million tonnes this year, 25 per cent higher than 2012.

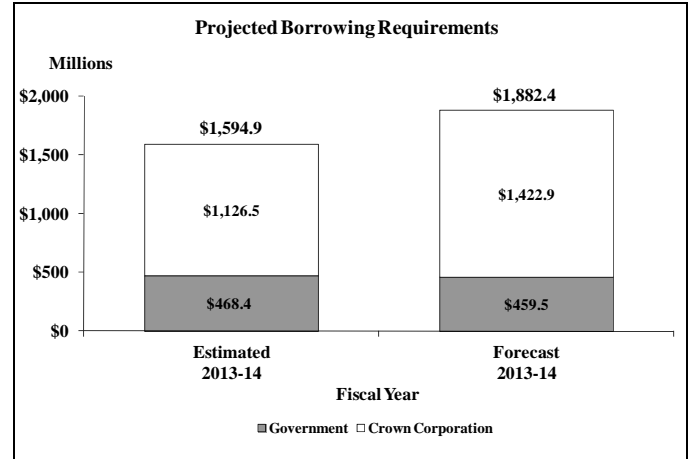
### Nominal GDP growth of 5.5 per cent and real GDP growth of 3.6 per cent forecast for 2013

Economic Indicators (Per Cent Change unless Noted Otherwise)	Year-to-Date Change 2013	January through
Employment Growth (000s)	19.2	October
Unemployment Rate (%)	4.0	October
Consumer Price Index	1.3	September
Value of Manufacturing Sales	5.7	September
International Exports	3.1	September
Retail Sales	3.5	August
Wholesale Trade	7.2	August
New Vehicle Sales	4.9	September
Value of Building Permits	-2.8	September
Investment in New Housing Construction	4.6	August

**Government debt continues to decline as a percentage of the economy**



**Increase in borrowing requirements for Crown corporations attributable to SaskPower**



**Government debt unchanged; Crown debt increases for capital expenditures**

**Debt of the Province as at March 31**  
(\$ Millions)

	March 31, 2013	2013-14 Budget	Mid-Year Forecast	Change from Budget
<b>Government</b>				
Gross Debt	\$ 5,025.5	\$ 4,862.2	\$ 4,869.1	\$ 6.9
Sinking Funds	(1,220.7)	(1,054.6)	(1,064.3)	(9.7)
<b>Government Public Debt</b>	<b>\$ 3,804.8</b>	<b>\$ 3,807.6</b>	<b>\$ 3,804.8</b>	<b>\$ (2.8)</b>
<b>Crown Corporation</b>				
Gross Debt	\$ 5,988.4	\$ 6,905.0	\$ 7,070.8	\$ 165.8
Sinking Funds	(614.0)	(641.1)	(648.7)	(7.6)
<b>Crown Corporation Public Debt</b>	<b>\$ 5,374.4</b>	<b>\$ 6,263.9</b>	<b>\$ 6,422.1</b>	<b>\$ 158.2</b>
<b>Public Debt</b>	<b>\$ 9,179.2</b>	<b>\$ 10,071.5</b>	<b>\$ 10,226.9</b>	<b>\$ 155.4</b>
Other Debt*	268.0	374.3	515.4	141.1
<b>Summary Statement of Debt</b>	<b>\$ 9,447.2</b>	<b>\$ 10,445.8</b>	<b>\$ 10,742.3</b>	<b>\$ 296.5</b>
<b>Summary Statement of Guaranteed Debt</b>				
<b>Guaranteed Debt</b>	<b>\$ 18.7</b>	<b>\$ 37.9</b>	<b>\$ 22.9</b>	<b>\$ (15.0)</b>

\* Some Crown corporations and other organizations have obligations to other entities. The General Revenue Fund is not responsible for this other debt.

**2013-14 non-renewable resources forecast assumptions**

	Budget	Mid-Year
WTI Oil Price (US\$ per barrel)	92.84	99.78
Light-Heavy Differential (% of WTI)	17.9	16.4
Well-head Oil Price (C\$ per barrel)	75.29	83.68
Oil Production (million barrels)	171.8	175.5
Potash Average Realized Price (C\$ per K <sub>2</sub> O tonne)	654	589
Potash Average Realized Price (US\$ per KCl tonne)	395	348
Potash Sales (million K <sub>2</sub> O tonnes)	10.4	10.1
Exchange Rate (US cents)	98.92	97.00

**Credit Ratings of the Province**

Standard & Poor's	AAA
Moody's Investors Service	Aa1*
Dominion Bond Rating Service	AA

\* positive outlook

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