ANNUAL REPORT 2023-24

CIC Crown Investments Corporation OF SASKATCHEWAN

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Letter of Transmittal

Regina, Saskatchewan
July 2024

To His Honour
The Honourable Russ Mirasty, S.O.M., M.S.M.
Lieutenant Governor of Saskatchewan
Province of Saskatchewan

May it please Your Honour:

I have the honour to submit herewith the annual report of the Crown Investments Corporation of Saskatchewan for the fiscal year ending March 31, 2024, in accordance with *The Crown Corporations Act, 1993*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan, as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,

Honourable Dustin Duncan
Minister of Crown Investments Corporation

Message from the Minister

CIC and a thriving Crown sector positively contributed to Saskatchewan's success in 2023-24—a growing province with a bright future. Together, the sector delivered some of the most affordable total utility costs in Canada, made record levels of capital investment across the province, and provided quality services and public policy programs to maintain a high standard of living for Saskatchewan families and communities.

Through efficiency and rate management, our Crown corporations balanced demand growth with the need to maintain and expand infrastructure for safe and reliable service delivery. The result of those efforts showed in the province's total utility cost management, which tracked below the Saskatchewan Consumer Price Index growth of about two per cent per year on average between 2007 and 2022.

CIC, on behalf of its subsidiary Crowns, provided strong financial returns in 2023-24 to its Shareholders—the people of Saskatchewan, contributing $152 million to the General Revenue Fund to support the provincial priorities in areas such as classrooms, care and communities.

The Crown corporations invested $1.9 billion in capital spending in 2023-24. These investments enhanced cellular and fibre optic connectivity for homes and businesses, advanced the Great Plains and Aspen Power Station projects to meet future demand, and supported natural gas line and non-potable water supply system expansions to serve existing industry and help entice private sector investments. These activities helped boost local economies, created quality jobs, enhanced services for customers and increased Saskatchewan's competitiveness in a global market. Over the next five years, the Crown sector is forecasting historic levels of capital investment, with an average of $2.3 billion each year.

Crown corporations are also finding innovative ways to provide additional value for the customers they serve and the communities they operate in. In 2023-24, the Crowns invested in Indigenous education and employment opportunities, energy efficiency programs, initiatives for newcomers and individuals with housing insecurity, much-needed support for many non-profit organizations including STARS, and so much more.

The accomplishments in 2023-24 were made possible through the hard work of the more than 11,000 Crown employees. I thank them for their dedication and support in advancing the government's priorities and helping our province achieve the overarching Growth Plan goals that are guiding a growing and thriving Saskatchewan for the next decade and beyond.

Dustin Duncan
CIC Board Chair

Message from the President

Saskatchewan's Crown sector achieved continued success in 2023-24, delivering high-quality services that Saskatchewan people have come to expect, and providing financial returns that support the province's growth and development.

Achieving this success can be partly attributed to increased collaboration between Crown corporations and executive government, and the dedication of all public sector employees. Together, we contributed to the economic growth of the province by prioritizing investment attraction efforts and Saskatchewan-focused procurement, achieving millions of dollars in efficiencies by working together, delivering infrastructure enhancements that secure our future needs, and bolstering Indigenous economic development opportunities.

Alongside these collaborative efforts, the impact of the Crown sector is felt every day by every community in our province. More than 11,000 Crown employees deliver essential services which we all depend on—sustainable, safe and reliable electricity and natural gas services, clean water, affordable insurance for residents, homes and businesses, and expansive 5G network and fibre optic coverage across Saskatchewan. We also provide quality entertainment options to residents to enrich their experience.

Thank you to the leadership and staff of CIC and the Crown corporations for their continued commitment to excellence and their dedication to our collective vision for Saskatchewan—the best place in Canada to live, work, invest and build a future.

Kent Campbell
President & CEO

Highlights **2023-24**

$1.9 BILLION
Investment in Infrastructure
ensuring economic strength and stimulating the economy

$578.3 MILLION
Consolidated Net Earnings
strong Crown sector results

$152.0 MILLION
CIC Payments to the GRF
$152.0 million dividends

63.7%
Consolidated Debt Ratio
healthy financial capacity

9.2%
Consolidated Return on Equity
return on the public's investment

Crown Sector Commitment to

Classrooms, Care and Communities

SaskPower

- Invested $1.2 billion in 2023-24 to modernize, grow and sustain the provincial electricity system, supporting Saskatchewan's economic growth and ensuring customers' access to reliable, sustainable electricity.
- Continued its assessment of the long-term viability of nuclear small modular reactors as an emissions-free baseload option in Saskatchewan. Final site selection for the first potential nuclear facility remains on track for 2025.

SaskEnergy

- Sponsored 871 programs and events in 360 communities across Saskatchewan.
- Invested $40 million in gas line projects in the Melfort and Regina areas, so residents, businesses and industries in these cities and communities beyond can rely on SaskEnergy now and into the future.

SaskTel

- Converted 481 wireless sites to the 5G network as of March 31, 2024, serving 82 per cent of the province's population with 5G coverage.
- Continued progress with the $200-million Rural Fibre Initiative to enhance connectivity for Saskatchewan people, businesses and communities.

SaskWater

- Completed the 65-kilometre transmission pipeline construction for Regina Regional Non-potable Water Supply System project. The project scheduled for completion in fall 2024 will support significant industry development in the province.
- Invested $87 million in capital projects in 2023-24, with $81 million going into new customer expansion and existing customer growth projects.

Lotteries and Gaming Saskatchewan

- The gaming sector contributed more than $247 million to non-profit groups across Saskatchewan through gaming grants provided by various funds, trusts and development organizations.
- Provided a total of $5.9 million in charitable gaming grants to nearly 2,500 groups and organizations in more than 300 Saskatchewan communities.

SGI

- Provided $2.8 million in funding through the Provincial Traffic Safety Fund, enabling 161 Saskatchewan communities to make traffic safety improvements in their cities, towns and villages.
- SGI CANADA pledged $1.5 million over the next decade to the University of Regina to support undergraduate programming in data science, fostering innovation and developing skilled insurance professionals.

CIC

- In addition to contributions from SaskTel, SaskEnergy, SaskPower and SGI, continued its support to STARS Saskatchewan with another $400,000 in 2023-24 as part of a five-year commitment.
- Invested close to $2.2 million in its Indigenous Bursary Program in the past five years to provide financial assistance to Indigenous post-secondary students.

CORPORATE INFORMATION

In 2023-24, SaskWater completed the pipeline installation for the Regina Regional Non-potable Water Supply System project. This 65-kilometre water pipeline will support significant economic development in the province.

SaskWater

Corporate Overview

Crown Investments Corporation of Saskatchewan (CIC) is the financially self-sufficient holding company for six subsidiary commercial Crown corporations and one wholly-owned subsidiary. In its oversight role of the Crown sector, CIC is responsible for the development and oversight of broad public policy initiatives, directing Crown sector investments, and collecting and providing Crown sector dividends to the provincial government's General Revenue Fund (GRF).

CIC oversees and manages a comprehensive framework designed to strengthen governance, performance, and accountability of subsidiary Crowns. It also assists subsidiary Crown boards to carry out their responsibilities of directing and overseeing the management of the Crowns.

The corporation implements governance, enterprise risk management, and reporting and disclosure practices consistent with those of publicly traded companies, where such practices can reasonably be applied to the public sector. Specifically, CIC provides oversight on behalf of the government by:

- providing strategic Shareholder direction and managing Crown sector performance,
- promoting best practices in Crown sector governance and disclosure, and
- developing broad policy initiatives and administering select government programs.

Corporate Mandate

CIC's governing legislation and mandate are defined by *The Crown Corporations Act, 1993*:

- It is the holding company for all subsidiary Crown corporations, exercising supervisory powers granted in the interest of all Saskatchewan residents; and
- It is the agency responsible for making and administering investments on behalf of the Government of Saskatchewan.

Holdings

CIC exercises supervisory responsibilities over its subsidiary Crown corporations in addition to operating as a Crown corporation itself. As of March 31, 2024, the subsidiary Crown corporations and wholly-owned subsidiary included:

[1] SGI CANADA administers the Saskatchewan Auto Fund, which is not a subsidiary Crown corporation; however, summarized operating results are provided in CIC's Consolidated Management Discussion & Analysis.

[2] On April 1, 2023, the Government of Saskatchewan created Lotteries and Gaming Saskatchewan (LGS), a new subsidiary Crown corporation reporting to CIC. The Saskatchewan Gaming Corporation became a wholly-owned subsidiary of the new LGS.

OUR **VISION**

A thriving Crown sector that makes life better for Saskatchewan people.

OUR **MISSION**

Lead, guide and support a resilient and responsive Crown sector.

OUR **VALUES**

TEAMWORK
We work together as one and collaborate with stakeholders to achieve our vision.

INTEGRITY
We are trustworthy, respectful of others, and hold ourselves and each other accountable.

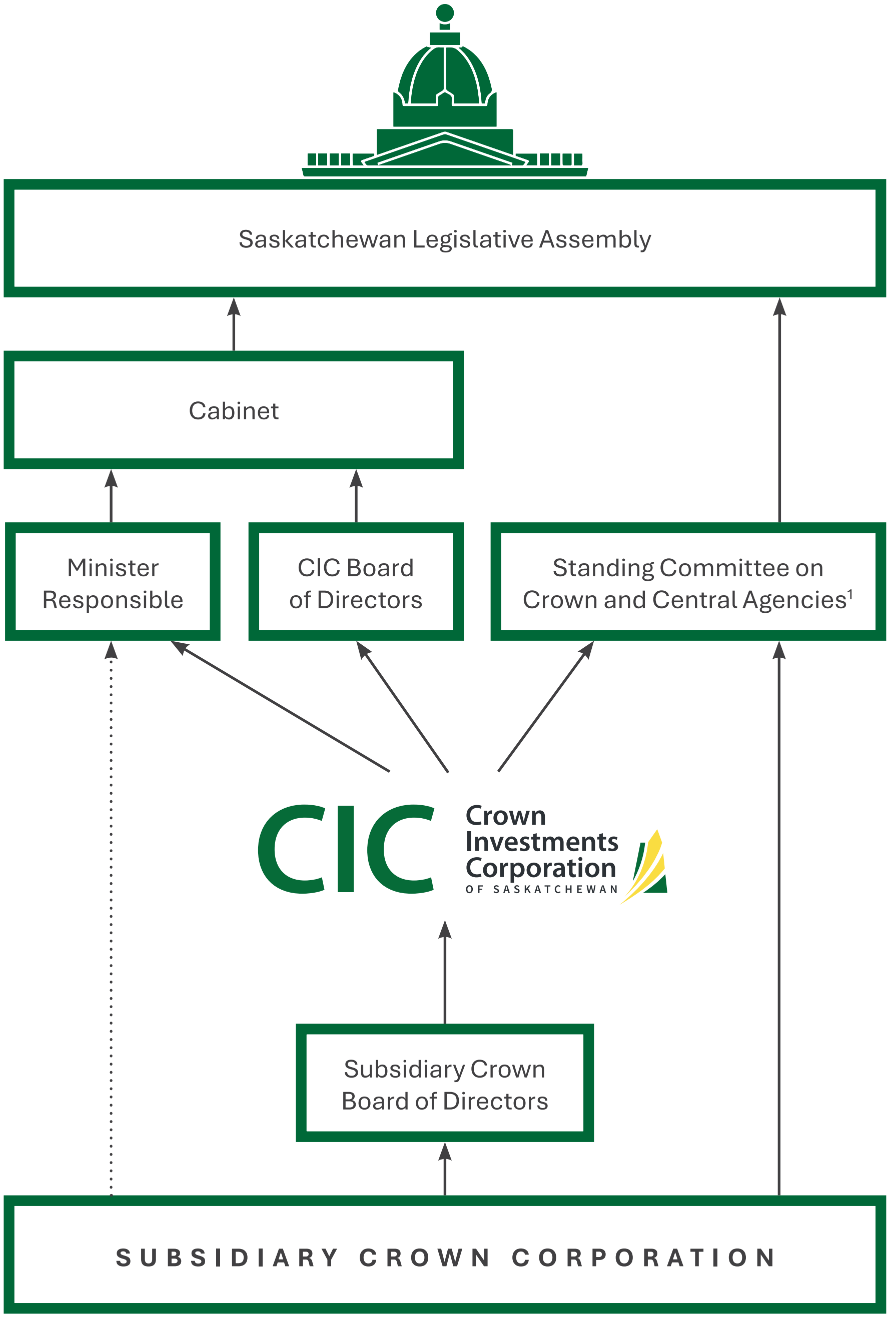
LEADERSHIP
We develop leaders at all levels that provide guidance and inspiration for the Crown sector.

EXCELLENCE
We continuously challenge ourselves to improve and innovate, striving to achieve our highest potential.

Financial & Public Accountability

The following chart depicts the accountability structure of CIC Crown corporations to both the government and the Standing Committee on Crown and Central Agencies, an all-party committee of the legislative assembly. It illustrates the flow of the reporting structure for decision items and performance management as well as the oversight responsibilities of:

- the government (as the Shareholder and mandating body for the Crown corporations);
- the CIC Board (a Cabinet subcommittee, as the representative of the Shareholder, to ensure mandates and activities are consistent with the interest and intent of government); and
- each Crown corporation's board of directors (as the stewardship body with fiduciary duty for the Crown's operations)



[1] The Standing Committee on Crown and Central Agencies considers matters related to CIC and its subsidiaries. Reports of the Provincial Auditor, as they relate to CIC and its subsidiaries, are permanently referred to the Standing Committee on Crown and Central Agencies.

Crown Sector Alignment

Government's Vision and Goals

The Crown sector plays an important role in achieving government's direction for the province. The government's vision and goals, as outlined in *Saskatchewan's Growth Plan: The Next Decade of Growth*, provincial budget and Premier's four priorities, are the foundation for the Crown Sector Strategic Priorities.

Crown Sector Strategic Priorities

The Crown Sector Strategic Priorities (CSSP) provide high-level shareholder direction used to align the Crown sector with the government's goals and priorities. The CSSP provide direction in a manner that subsidiary Crowns can incorporate into their strategic and operational plans and support Crown boards in fulfilling their oversight role to achieve outcomes for the province.

Consistent with government direction, the CSSP direct Crown corporations to continue meeting their commercial mandates and achieve sustainable financial returns while helping to advance key provincial goals that contribute to the economic growth of the province and improve the quality of life for the people of Saskatchewan. The following four strategic priorities guided 2023-24 Crown sector planning:

Economic Growth

The Crown sector will coordinate resources to support Saskatchewan's Growth Plan and enhance long term economic growth and diversification. Crowns will collaborate to increase Saskatchewan's competitiveness to attract new investment into the province.

Growth that Benefits the People of Saskatchewan

The Crown sector will support growth initiatives that contribute to Saskatchewan's quality of life. Crowns will provide competitive products and services and invest in the infrastructure necessary for ensuring safety, reliability and affordability for the people of Saskatchewan.

Strong Financial Management

The Crown sector will make prudent financial decisions in order to remain sustainable. Crowns will effectively manage and utilize resources to provide successful commercial outcomes and returns on public investment while maintaining skilled, high-performing workforces.

Standing up for Saskatchewan

The Crown sector will act in the best interest of the province. With leadership from CIC, Crowns will defend and promote Saskatchewan interests at national and international tables, including issues around legislative and regulatory changes, federal funding and interprovincial relations.

Operating Context

Providing Shareholder Direction & Performance Management

CIC communicates Shareholder direction to its subsidiary Crown corporations and monitors their performance against targets and measures approved by the CIC Board. The strategic performance management framework ("the framework") demonstrates how strategic direction is relayed and performance is managed in the Crown sector.

Strategic Shareholder Direction

The first stage in the framework is the development of the Crown Sector Strategic Priorities (CSSP) which are approved by the CIC Board annually. The CSSP articulate shareholder expectations and provide medium to long-term direction to the Crown sector. That direction is derived from the broader government vision, the annual provincial budget, consultation with government officials, and from key government documents, such as *Saskatchewan's Growth Plan: The Next Decade of Growth*. CIC ensures that the Crowns are working towards achieving the CSSP outlined on page 9.

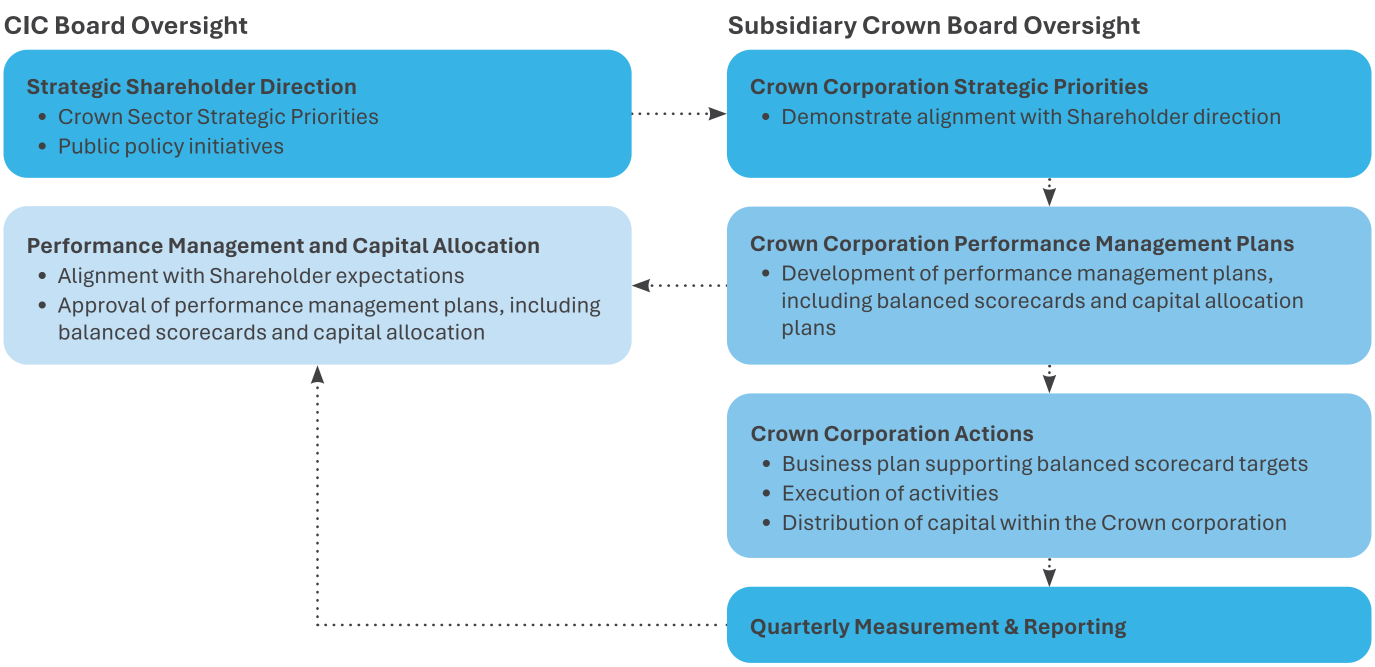
Subsidiary Crown Corporation Plans

The second stage is the development of the subsidiary Crowns' corporate strategic plans, demonstrating alignment with shareholder direction contained within the CSSP. Each subsidiary Crown prepares a comprehensive performance management plan that includes a balanced scorecard with measures and targets that link to the broad strategic directions established in the CSSP and its corporate strategic plan. Performance management plans are prepared by Crown management and considered and approved by subsidiary Crown boards.

Performance Management Approval & Reporting

The third stage is consideration and approval of subsidiary Crown performance management plans by the CIC Board. Every year, the CIC Board evaluates each Crown's performance management plan for the upcoming year. This includes ensuring that each Crown has assessed its risks and created strategies that address those risks and meet government priorities to maintain sustainable Crown corporations and strong services. In addition to approving performance objectives and targets, the CIC Board also determines the capital allocation among Crown corporations for reinvestment, debt management and dividends. The CIC Board may provide further direction to a Crown prior to approving the final plan. Throughout the year, CIC monitors progress toward achieving each Crown's goals, with quarterly reviews and reports submitted to the CIC Board.

CIC's Strategic & Performance Management Framework



Promoting Best Practices in Crown Sector Governance

CIC assists its subsidiary Crown corporations' boards of directors in adapting and implementing leading corporate governance practices and standards as applicable to a public enterprise. In doing so, CIC:

- delivers centralized corporate secretarial and governance advisory services to the Crown boards;
- supports boards in identifying director skill sets required to function effectively;
- develops and implements assessment tools to assist Crown boards to improve performance;
- sponsors a professional development training program leading to a director designation and general governance training to enhance overall board skills and knowledge; and
- facilitates networking and relationship-building among subsidiary Crown corporations' board members.

Communication of Shareholder Expectations

Open, timely and reliable communication between the Shareholder and each Crown board is essential to a successful governance framework and sound decision-making. CIC and its subsidiary Crown corporations engage in several effective communication channels, including:

- periodic meetings between the chairs of the Crown boards and senior CIC officials to discuss Shareholder priorities and share information regarding matters of mutual interest;
- meetings with the chairs of committees of the Crown boards to discuss initiatives and emerging trends that will impact the committee's area of responsibility;
- periodic reports from the Crown board chairs to the CIC Board highlighting items of significance considered at the board level, major Crown initiatives and significant corporate risks;
- meetings between the CIC President & CEO and the board chairs and presidents of subsidiary Crown corporations; and
- on request, attendance by CIC senior officials at Crown board meetings to discuss matters of mutual interest.

Management Certification of Financial Statements

In the interest of public accountability, CIC and its subsidiary Crown corporations certify their internal controls over financial reporting. Crown sector CEO/CFO certification is similar to the certification policies implemented by the Canadian Securities Administrators for publicly listed companies. CIC ensures that the Crown sector follows best practices for publicly accountable companies.

Accountability & Transparency

CIC has developed a comprehensive performance assessment system applicable to each of its subsidiary Crown boards. Evaluations are conducted on a three-year cycle, with some aspects of performance evaluated annually. In 2023-24, all Crown boards conducted committee and committee Chair evaluations. Evaluations are conducted via online survey and follow-up interviews are done with individual directors where necessary to clarify responses. If required, each Crown board is responsible for developing an action plan to address the results of the performance evaluations.

Governance Rating

In 2021-22, CIC implemented a revised corporate governance evaluation model, process and instrument developed by Governance Solutions Inc. (GSI). Its purpose is to gauge the effectiveness of corporate governance in CIC's Crown corporations through a governance index. GSI conducted its independent assessment by reviewing each Crown's public disclosure documents, annual reports, corporate governance statements and information received directly from the Crowns. Each Crown's performance and governance practices were then benchmarked against those of selected leading comparator organizations in the public and private sectors in Canada (the "Index"). For 2021-22, CIC Crowns collectively achieved an overall governance index score of 95 per cent compared to the average score of 77 per cent for other organizations in the Index. This score indicates a high level of governance performance in Saskatchewan's Crown sector. Crown boards have consistently scored as high-performance organizations over the 20+ years that CIC has been conducting external assessments. As the assessments are conducted on a three-year cycle, the next one will take place in 2024-25.

Board Professional Development

CIC is committed to providing the members of its subsidiary Crown boards with the education necessary to effectively discharge their responsibilities. CIC has sponsored governance training programs for members of the subsidiary Crown boards since 1998. From 2009 to 2016, CIC offered The Directors College Chartered Director Certification Program to board members, which led to a designation as a chartered director for those who completed all of the modules and passed the qualifying exam. In 2017, CIC partnered with the Institute of Corporate Directors (ICD) to enable eligible board members to take the ICD's Director Education Program and receive an ICD.D designation. In addition to its continued support of the ICD Director Education Program, CIC also sponsored two education and development opportunities available to all subsidiary Crown directors. The first session was in October 2023 on cyber security and privacy, and the second session was held in March 2024 on optimizing board effectiveness.

Diversity and Subsidiary Crown Corporation Board Appointments

The Government of Saskatchewan remains committed to enhancing diversity and achieving gender equity on CIC subsidiary Crown boards of directors. As of March 31, 2024, Crown boards were comprised of 39 per cent female representation, with three boards having 50 per cent or more women. There were two female chairs and two female vice chairs. Indigenous representation was five per cent in 2023-24 with three Indigenous Crown board members, including one Indigenous board chair.

Enterprise Risk Management

CIC and its subsidiary Crown corporations follow the CIC subsidiary Enterprise Risk Management (ERM) Minimum Standards Policy which requires Crowns to meet or exceed corporate governance best practices and public sector accountability and transparency requirements. ERM involves:

- identifying risks and opportunities;
- analyzing and quantifying risk impact;
- assessing and prioritizing risks;
- establishing strategies for controlling risk and/or capitalizing on opportunities; and
- monitoring and reporting.

ERM focuses attention on the risks that are most important to the achievement of each Crown's objectives. It also identifies opportunities to eliminate redundancy, improve internal control and operational efficiency and effectiveness.

In compliance with the sector-wide minimum standards policy, the management and boards of directors of each subsidiary Crown corporation are responsible for ERM processes specific to their operations.

Risk tolerance is determined independently by Crown management and is considered and approved by the board of each Crown corporation. In assessing risk tolerance, consideration is mainly given to mandate, financial, legal/regulatory, reputational and operational impacts and likelihoods. In order to address overall risk tolerance limits, a risk assessment rating is established above which specific actions are required to be taken, thereby ensuring that the highest-ranked risks are sufficiently managed.

Each subsidiary Crown corporation demonstrates alignment of ERM results with strategic business planning through the annual performance management process. Performance management plans are approved by both the subsidiary Crown corporation board and the CIC Board. Progress against the plan is reviewed by the CIC Board and approved by the subsidiary Crown corporation board through quarterly reporting.

A detailed discussion of ERM results specific to each subsidiary Crown corporation is included in the respective Crown annual report that is released to the public. Summarized results are included in the subsidiary profiles on pages 49-62 in the Consolidated MD&A section of this report.

A 5G tower in Regina, one of many cell sites upgraded as part of SaskTel's 5G network expansion.

CIC's Risk Assessment Process

Successful execution of CIC's corporate strategy and achievement of the business plan requires an understanding of the associated risks within the environment in which the corporation operates. In order to understand risks associated with the corporation, CIC's Risk Committee works with senior management to identify business risks inherent to the corporation and establish what, if any, mitigating processes and controls exist to reduce the inherent risk.

After identification of risks and establishment of the controls and mitigating factors, risk registers are updated. The registers rank risks based on likelihood of occurrence and severity of the occurrence once mitigating controls or processes are taken into account. Once established, the executive determines the risk tolerance and decides whether to accept, further mitigate, transfer, or avoid the risk. This can lead to identification of opportunities and strategies to either close gaps or to reallocate resources from areas that are considered over-mitigated. CIC reports annually to its Board on its risk.

Risk Overview

CIC ranks the ten most significant risks on its risk register and has determined the following three risks are the most significant:

1. **Operational delays or loss of information as a result of cyber security breaches.**
   Businesses throughout the world have to address the rising risk of cyber security breaches that can cause operational delays or loss of information. To mitigate this risk, CIC has cybersecurity practices in place through partnerships with industry-leading third-party experts. This includes continuous improvement through strategic initiatives and the use of tabletop exercises, maturity assessments, and vulnerability assessments. In addition, CIC has a disaster recovery plan with offsite continuous back-up at a third-party IT service provider. Daily, weekly, monthly and annual back-ups are completed. CIC's third-party IT service provider regularly updates software, hardware and CIC's network.
2. **Inability of the Crown sector and CIC to achieve outcomes expected of the Shareholder and the public.**
   Providing high quality business service, public policy, and Crown infrastructure improvements to meet the public's expectations is a priority of the Shareholder. It is incorporated into each Crown's Performance Management and Capital Allocation Plans and the Crown Sector Strategic Priorities. These plans are approved by the CIC Board annually and monitored by CIC throughout the year with quarterly reporting to the CIC Board. CIC closely monitors debt ratios and other financial indicators for the Crown sector to gauge the ability of the sector to undertake significant projects.
3. **The Crown sector and CIC do not achieve financial stability, sustainability and provide sufficient returns.**
   CIC provides dividends to the GRF. There is a risk that policy and financial decisions made by CIC and/or its subsidiary corporations could impact CIC's ability to provide dividends to the GRF. This risk is mitigated through the approval of subsidiary Performance Management and Capital Allocation Plans, regular quarterly reporting, forecasting, policies guiding investing activities, and oversight of subsidiary corporations by highly qualified, independent boards.

Promoting Best Practices in Crown Sector Disclosure

Reporting & Disclosure

All CIC Crown corporations are required by *The Crown Corporations Act, 1993*, to table an annual report with the Saskatchewan Legislative Assembly. To provide full disclosure of all activities of a CIC subsidiary corporation, CIC requires all Crown corporation subsidiary financial statements to also be tabled. CIC and its subsidiary Crown corporations ensure that reporting and disclosure reflect strong standards of reporting, accountability and disclosure.

Policy & Programming on Behalf of the Shareholder

CIC's role includes centralized administration of select government initiatives and programs:

- The Indigenous Bursary Program provides financial assistance to Indigenous post-secondary students to support their education goals and enable career opportunities by building a skilled and inclusive labour force;
- The Indigenous Cultural Awareness Program provides education for Crown employees covering Indigenous history, cultural awareness, reconciliation and relationship-building information and techniques; and
- The Crown Career Pathways, an Indigenous internship program developed by CIC and its subsidiary Crowns in 2023-24, provides a mechanism to bridge Indigenous graduates from eligible post-secondary institutes into employment with the Crown sector, provincial government and the private sector in Saskatchewan.

Saskatchewan Rate Review Panel

The Saskatchewan Rate Review Panel (SRRP) advises the Government of Saskatchewan on rate applications proposed by SaskEnergy, SaskPower and the Saskatchewan Auto Fund. SRRP reviews each rate application and provides an independent public report on its assessment of the fairness and reasonableness of the proposed rate change, with consideration for the interests of the Crown corporation, its customers and the public, consistency with the Crown corporation's mandate, relevant industry practices and principles, and competitiveness relative to other jurisdictions. The provincial Cabinet makes the final decision on rate change requests. CIC acts as a liaison between SRRP and the government as required. In this role, CIC may provide SRRP with assistance, guidance and oversight to fulfill its mandate. SRRP members during 2023-24 were:

- Albert Johnston, Chair
- Duane Hayunga, Vice Chair
- Glenn Dutchak, Member
- Bonnie Guillou, Member
- Kim Hartl, Member
- Sidney Katzman, Member
- Keith Moen, Member

For more information, visit the Panel's website at **www.saskratereview.ca**.

RAP

CIC sponsored the Restorative Action Program (RAP) that helps youth build skills to manage issues related to bullying, mental health and relationships.

Achieving a Balanced Approach to Shareholder Return

CIC is focused on providing a reasonable return to the Province. This priority must be balanced with its public policy initiatives, reinvestment in sustaining infrastructure, and providing high quality public services for the most affordable cost.

CIC monitors the financial performance of the CIC Crown sector to ensure that financial targets are achieved and that the financial sustainability of the CIC Crown sector is maintained for the future. This includes:

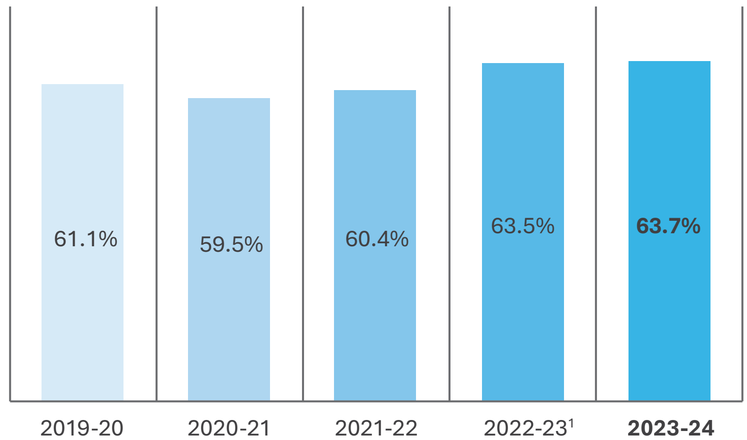
- providing analysis and recommendations on Crown sector earnings;
- ensuring CIC Crown corporations have sufficient capital available to maintain and/or expand existing infrastructure;
- examining capital structures of CIC Crown corporations (generally consisting of debt and equity) to maintain financial health; and
- forecasting available cash flows over the planning horizon to analyze and advise on future dividend payments and equity repayments to the General Revenue Fund (GRF).

All decisions that impact financial resources, such as dividends from the CIC Crown sector, dividends and equity repayments to the GRF, or funding of a public policy initiative, are assessed within the context of financial self-sufficiency, while contributing to the government's priorities for the CIC Crown sector.

CIC continues to prioritize maintaining sustainable debt levels while reinvesting in infrastructure, as well as providing a return to the Shareholder. During 2023-24, CIC's allocation of financial resources included the following:

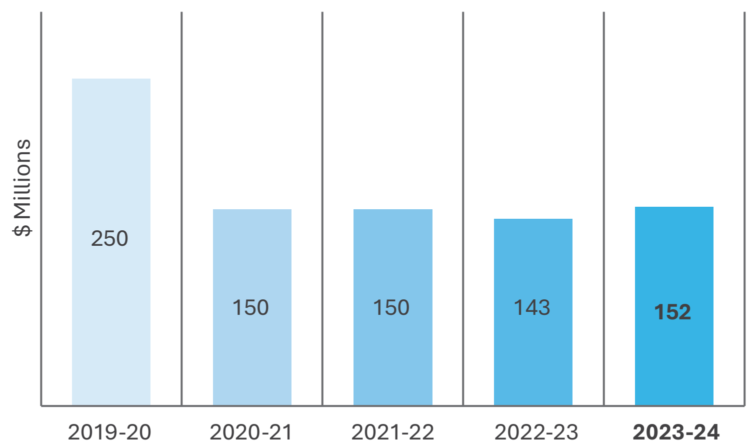
- authorizing capital spending plans of subsidiary Crown corporations that resulted in capital expenditures of $1.9 billion to meet reinvestment requirements,
- declaration and payment of dividends to the GRF of $152 million; and,
- support of public policy initiatives.

Consolidated Debt Ratio

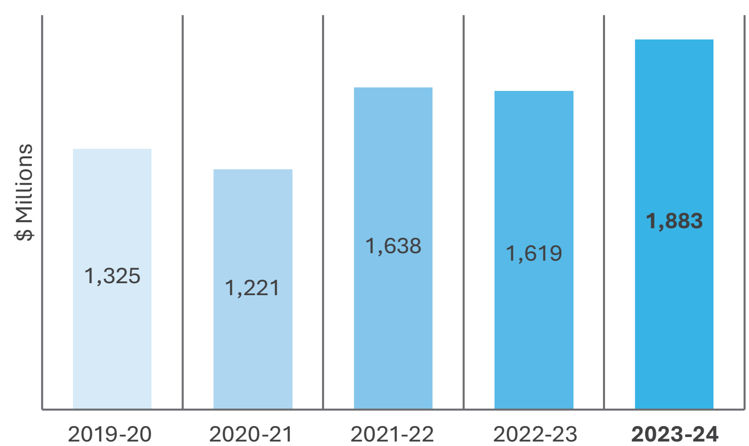


[1] Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations.

Dividends to GRF



Capital Expenditures



Managing Capital Resources

CIC has a diverse range of holdings. A key priority for CIC is to manage the capital resources employed within the consolidated group of entities to optimize value in the Crown sector and provide a return to the GRF.

CIC manages this priority through its capital allocation framework, which is based on two integrated policies: the CIC Subsidiary Dividend Policy and the CIC Dividend Policy. These policies are based on the principle that there are three potential uses for cash flows:

- **Reinvestment** – to sustain infrastructure and operations, to grow and diversify revenues, and to support public policy initiatives and economic development;
- **Debt reduction** if required – to support financial flexibility; and
- **Dividends to the holding company** – to be used in accordance with the CIC Subsidiary Dividend Policy.

An additional potential use for cash flow is equity repayments. Equity repayments are a return of the government's investment in the Crowns. Unlike dividends, they occur infrequently, generally following asset sales or during times of stable or lower capital needs. These payments are used to support public policy needs. Crowns do not have share capital structures, and when Crowns were established, cash injections (called equity advances) were provided through CIC. Equity advances were also provided to the Crowns to support capital investment.

CIC Subsidiary Dividend Policy

The CIC Subsidiary Dividend Policy focuses on managing capital resources to support the investment needs and business viability of the various business segments over the medium term. The policy ensures that the investments provide a return to Saskatchewan residents to support programs paid for from the GRF. Each commercial Crown's ability to pay dividends is determined after the CIC Board allocates a portion of cash profits to reinvestment and debt reduction, if required. The CIC Board has approved debt and capital structure targets for CIC's subsidiaries based on industry benchmarks. Therefore, for subsidiaries that pay dividends, the amount paid is determined in relation to the target capital structure compared to the actual capital structure.

Capital Structures of Subsidiary Corporations

The following table summarizes the target capital structure of CIC's subsidiary corporations. Capital structure targets are based on industry benchmarks where possible and are approved by the CIC Board.

	Capital Structure Measure	Capital Structure Target	2023-24 Actual Capital Structure	2023-24 Dividend Payout Rate[1]
SaskPower	Debt Ratio	60.0% - 75.0%	74.4%	30%
SaskTel	Debt Ratio	≤55.0%	56.0%	40%
SaskEnergy	Debt Ratio	58.0% - 63.0%	59.2%	35%
SGI CANADA[2]	Minimum Capital Test	242.0%	225%	N/A
LGS/SGC[3]	Debt Ratio	35.0%	46.7%	80%
SaskWater	Debt Ratio	60.0%	53.3%	50%

[1] Dividend payout rates are approved by the CIC Board annually. While payout rates are typically based on a percentage of earnings from operations, various factors may lead to an amount being set on an alternative basis. Where a percentage payout has not been established ("N/A"), the CIC Board has approved a specific dollar amount or a dividend has not been directed due to reinvestment or capital retention requirements.

[2] The Minimum Capital Test (MCT) is a capital adequacy test widely used in the insurance industry and indicates capital available to pay claims compared to capital required.

[3] Effective April 1, 2023, LGS began as a new commercial Crown corporation. LGS consolidates the management oversight for casinos, video lottery terminals (VLTs), lotteries, and online gaming. As part of the new Crown corporation, SGC was reconfigured as a wholly-owned business subsidiary of LGS and will continue to operate casinos Regina and Moose Jaw, with no significant changes to overall operations. SGC's financial results have been consolidated with LGS as of June 1, 2023, with the start of operations.

CIC Dividend Policy

Cash paid by subsidiary Crown corporations is used by CIC for reinvestment and dividends to the GRF. CIC, as the holding company, does not have any debt. Also, CIC uses cash from Crown dividends to support operations and public policy initiatives.

In 2023-24, CIC allocated a $152.6 million of capital per the CIC Dividend Policy as follows:

Reinvestment and Public Policy Expenditure:

- $425,000 to the Indigenous Bursary Program.
- $134,106 to the Crown Career Pathways Indigenous internship program[1].

[1] The Crown Career Pathways program was launched in September 2023.

Debt Reduction:

- No funds were used for debt repayment. CIC (separate) does not carry debt.

Dividend:

- GRF dividend of $152.0 million.

CIC's ability to pay dividends to the GRF depends mainly on the level of Crown dividends paid to CIC, less CIC's reinvestment back into the Crown sector, payments for public policy programs and operating costs (see page 134 in the CIC Separate MD&A section of this report for more details on CIC's operating costs). Crown dividend levels depend on earnings and capital structure. In addition to cash constraints, CIC's ability to declare dividends to the GRF depends on its retained earnings (a company's retained earnings are the aggregate amount of undistributed earnings since its inception). CIC's earnings, and hence dividend capacity outlook, are sensitive to adverse developments in its operating expenditures and Crown earnings forecasts.

Liquidity

CIC and its subsidiary Crown corporations borrow from the GRF, which in turn, borrows in the capital markets. With strong credit ratings, the GRF has ample access to capital for anticipated borrowing requirements.

Province of Saskatchewan Credit Ratings

(as of March 31, 2024)

Moody's Investor Service (Moody's)	Aa1
Standard & Poor's (S&P)	AA
Dominion Bond Rating Service (DBRS)	AA (low)

There are three credit rating agencies in Canada that evaluate and rate the credit worthiness of the Province's sovereign debt. Credit worthiness affects the interest rate at which the Province, including the CIC Crown sector, can borrow. As the credit ratings improve, the interest rates at which the Province can borrow decrease, thereby reducing the cost of borrowing.

Enhancing Accountability

CIC continues to advance its financial reporting policies and practices in support of transparency and accountability. Examples of current practices to facilitate accountability include:

- quarterly reports for CIC (consolidated and separate) and its subsidiary Crown corporations, available to the public via CIC and Crown corporation websites;
- quarterly reporting on CIC and subsidiary Crown corporation performance, provided to the CIC Board;
- disclosure of budget information in the government's budget and estimates;
- detailed disclosure of CIC and its subsidiary Crowns' payments via Payee Disclosure Reports on CIC's website;
- a comparison of results to business plan targets, within CIC's and each subsidiary Crown corporation's annual report;
- providing internal audit and legal services to certain subsidiary Crown corporations;
- requiring CEO/CFO certification of internal controls over financial reporting at CIC and subsidiary Crowns;
- ensuring appropriate and consistent risk management frameworks for all CIC subsidiary Crown corporations; and
- CIC's continuous evaluation of new standards and leading practices for financial reporting and corporate governance.

CIC's financial reports are available on CIC's website at **www.cicorp.sk.ca/reports/annual-and-quarterly-financial-reports**.

Corporate Social Responsibility

CIC is committed to giving back to the community and the people of Saskatchewan. CIC's Corporate Sponsorship Policy supports organizations, events, programs, activities and projects across Saskatchewan that:

- align with CIC's business, policies, programs and/or services including economic development, entrepreneurship, innovation, education and employment development,
- support education, emerging health or social needs, or cultural education and economic reconciliation, and/or
- support programs aimed at enhancing opportunities for youth development, increased participation for underrepresented groups in science, technology, engineering, arts or mathematics (STEAM) and leadership, and promoting diversity, equity and inclusion.

In 2023-24, CIC provided about $495,000 in sponsorships to support organizations across the province.

CIC will continue to support opportunities that enhance quality of life for Saskatchewan people. In addition to direct sponsorships, CIC also funds the Indigenous Bursary Program to support building a skilled and inclusive labour force with close ties to the province. As well, CIC and the Crown sector developed an Indigenous internship program. Crown Career Pathways offers 11 Indigenous graduates intern positions at Crown corporations to help bridge eligible Indigenous post-secondary graduates to permanent employment in the Crown sector, provincial government or the private sector.

CIC, SaskTel, SaskPower, SaskEnergy and SGI continued their support of STARS Saskatchewan with another $2 million in 2023-24 as part of a third five-year commitment. The Crown sector has significantly contributed to ensuring critical care is available to rural and remote areas by committing $30 million to STARS since 2012.

Crown Social Responsibility

A core priority for the Crown sector is to ensure growth that benefits all residents of the province. The Crown corporations deliver safe, reliable and affordable services to customers and make prudent financial decisions, providing value to the citizens that they serve. By doing that, they demonstrate their commitment to being socially responsible and good corporate neighbours. In CIC's oversight role, it ensures Crowns' sponsorship policies align with the needs of the province and each Crown's business priorities in a way that is fiscally responsible and distributed fairly throughout Saskatchewan.

Environmental Sustainability

The Crown sector is committed to the government's environmental goals as outlined in *Saskatchewan's Growth Plan: The Next Decade of Growth* and in *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy*. The Crown sector supports Saskatchewan's environmental commitments by reducing emissions and developing strategies to mitigate the effects of climate change. The Crowns will deliver on Saskatchewan's climate change plan to decarbonize in many ways including advancing the development of zero-emission small modular nuclear reactor technology.

Saskatchewan's Crown sector adopted the International Financial Reporting Standards (IFRS) in 2011. The IFRS Sustainability Reporting Standards are now being adopted in Canada and internationally. The Crown sector will continue to work with CIC to better align sector reporting to the standards as it provides a basis for consistent and reliable disclosure of sustainability considerations in corporate strategy, risk management, governance and metrics.

The Lone Creek Dance Troupe performed at the SaskPower Diversity Fair.

In response to the Truth and Reconciliation Commission's Call to Action 92 on economic reconciliation...

CIC Advisory Council on Indigenous Reconciliation (ACIR)

ACIR was born from the Crown Collaboration initiative to enhance Indigenous engagement and economic reconciliation in the Government of Saskatchewan. It is comprised of representatives of CIC and its subsidiary Crowns, as well as select executive government ministries. ACIR focuses on four areas: 1) training & development, 2) recruitment & retention, 3) community investment, and 4) business development & procurement.

The council provides advice and information to communities and government organizations seeking guidance on issues related to traditional knowledge, cultural protocol and reconciliation within areas of government or Crown interests.

Indigenous Employee Networks Conference

On March 6-7, 2024, ACIR hosted the inaugural annual "Indigenous Employee Networks Conference". More than three hundred public sector employees attended the conference, featuring keynote speakers His Honour the Honourable Russ Mirasty, Lieutenant Governor of Saskatchewan, and Vice-Chief of the Federation of Sovereign Indigenous Nations, Aly Bear.

Crown Career Pathways Indigenous Internship Program

CIC and the Crown sector launched the Crown Career Pathways Indigenous Internship Program in September 2023. The program provides a mechanism to bridge Indigenous graduates from eligible post-secondary institutes into employment with the Crown corporations, provincial government or the private sector in Saskatchewan. The two-year pilot focuses on the Crown sector and plans to hire 22 interns over that time. In 2023-24, Crown corporations hired 10 interns.

CIC Indigenous Bursary Program

In the past five years, CIC invested close to $2.2 million in the Indigenous Bursary Program to support Saskatchewan Indigenous students' education goals and enable career opportunities by building a skilled and inclusive labour force in the province.

I was very grateful for this bursary last year in my first year of studies at Lakeland as it helped me greatly. Paying for a vehicle and your day-to-day needs adds up very quickly when you are a student especially when you are not making any money. I would like to thank the donor for their generous donations I have received in the past and present day that they are providing. Your kindness is not overlooked.

– Bursary recipient Keaton Johnstone, Process and Power Engineering, Lloydminster, SK

Thank you for the Indigenous bursary. As a full-time student as well as being a mother of four this bursary is extremely helpful.

– Bursary recipient Teri Daniels, Lloydminster, SK

Corporate Performance

2023-24 Balanced Scorecard & Performance Discussion

CIC uses a widely accepted performance measurement system known as the balanced scorecard. This system is used to establish, communicate and report on key corporate performance targets in a standardized and concise format. The CIC Board is provided with quarterly progress reports on the corporation's performance relative to targets. CIC's 2023-24 scorecard contains four perspectives: Shareholder, Leadership & Policy, Financial, and Internal Operations. Through the performance management system, CIC monitors its success in achieving its strategic objectives and implementation of the Crown Sector Strategic Priorities (discussed on page 9) throughout the Crown sector. Performance results for 2023-24 are for the twelve-month period ended March 31, 2024.

BALANCED SCORECARD PERSPECTIVES

Shareholder

- Ensure the subsidiary Crowns' strategic plans reflect the priorities and policies of the Shareholder.
- Ensure the Shareholder is provided with quality information and analysis to make decisions affecting the Crown sector.

Leadership & Policy

- Provide high quality advice to the Crown sector.
- Identify, develop and promote best practices in management of the Crown sector.
- Implement and manage programs to align with Shareholder priorities.

Financial

- Monitor the financial performance of the Crown sector.
- Balance the relative priorities of investing in infrastructure, providing an appropriate return to the people of Saskatchewan, and protecting the financial flexibility of CIC and the Crown sector.

Internal Operations

- Ensure CIC is effectively structured to support the achievement of CIC's corporate priorities.
- Achieve an engaged and enabled workforce.
- Demonstrate accountability and strong leadership throughout CIC.

Statement of Reliability

I, Kent Campbell, President and Chief Executive Officer of Crown Investments Corporation of Saskatchewan certify that I have reviewed the balanced scorecard performance results included in the annual report of Crown Investments Corporation of Saskatchewan. Based on my knowledge, having exercised reasonable diligence, the performance results included in the annual report, fairly represent, in all material respects, CIC's performance results as of March 31, 2024.

Kent Campbell, CPA, CMA
President & CEO

Shareholder

Balanced Scorecard

Performance Measure		2022-23 Results	2023-24 Target	2023-24 Results	2024-25 Target
S1	Stakeholder Satisfaction	● Deferred until 2023-24	Establish new measure(s)	● New Measures Established	N/A
S2	CIC Board satisfaction with Crown sector outcomes	● N/A	N/A	● N/A	8.5
S3	Performance rating by the CIC Board	● N/A	N/A	● N/A	8.5
S4	Performance rating by Crown Executives & Senior Management	● N/A	N/A	● N/A	8.0
S5	Performance rating by Crown Boards	● N/A	N/A	● N/A	8.5

Performance Indicator Key:

● Exceeds Target >120% | ● On Target 95% – 120% | ● Slightly Off Target < 95% | ● Off Target < 80% | ● Not Reported This Period

2023-24 Performance Discussion

CIC assesses its value through an annual satisfaction survey of its three key stakeholder groups. These key stakeholder groups are the CIC Board, subsidiary Crown Boards, and subsidiary Crown executives and senior managers.

In 2023-24, CIC established new stakeholder satisfaction measures (S2-5) which will be reported on in 2024-25.

The new CIC Board satisfaction with Crown sector outcomes measure (S2) provides for CIC Board assessment of CIC on delivering outcomes for the province through the Crown sector, including high-quality Crown services and broader government goals.

The new performance measures by the CIC Board (S3), Crown Executive and Senior Management (S4), and Crown Boards (S5) provide for assessment of CIC in the key performance areas of strategic consulting and advice, board governance, communication and networking, and effectiveness.

Leadership & Policy

Balanced Scorecard

Performance Measure		2022-23 Results	2023-24 Target	2023-24 Results	2024-25 Target
LP1	Crown sector efficiency – EBITDA / Revenue[1]	23.9%	28.0%	29.7%	30.4%
LP2	Collaboration	120%	100% of two weighted components	411%	100% of two weighted components
LP3	Oversight of public policy programs	102%	Achieve 100% of program deliverables	105%	Achieve 100% of program deliverables
LP4	Governance rating	Non-reporting year (of a three-year cycle)	Non-reporting year (of a three-year cycle)	Non-reporting year (of a three-year cycle)	90%

[1] EBITDA / Revenue = earnings before interest, taxes, depreciation, and amortization / total revenue.

Performance Indicator Key:

Exceeds Target >120% | On Target 95% – 120% | Slightly Off Target < 95% | Off Target < 80% | Not Reported This Period

2023-24 Performance Discussion

In 2023-24, the Crowns continued to focus on managing controllable costs while ensuring resources remain available for investment in growth opportunities. The consolidated EBITDA/Revenue result of 29.7 per cent is above target primarily due to increased earnings at SaskPower from higher demand and electricity sales. A detailed discussion of financial performance is provided in the Consolidated Management Discussion and Analysis (MD&A) beginning on page 38.

The 2023-24 Collaboration metric was revised from a three-part weighted index to a two-part equally weighted index that includes: $50.0 million in cost savings that build on past collaborations and include new collaborations; and, $1.0 billion in new announced private sector investments in Saskatchewan. The removed customer service enhancements/red tape reduction component was transitioned to the Ministry of Trade and Export Development's Regulatory Modernization and Red Tape Reduction initiative. The 2023-24 Collaboration metric achieved an overall result of 411 per cent. Collaboration cost savings were $9.6 million below target at $40.4 million. These savings were largely driven by joint pole sharing, joint line locating, shared services, and joint infrastructure installation. The Investment Attraction Working Group collaborated to secure several projects, resulting in $7.4 billion in announced investments. The highlight for the year was the investment announced by BHP to proceed with stage 2 of expansion of their Jansen mine for $6.4 billion.

Public policy programs were on target. The Indigenous Bursary Program awarded 85 bursaries and CIC delivered six Indigenous Cultural Awareness Program workshops for Crown sector employees. The Crown Career Pathways internship program was launched in September 2023. The program is a collaborative initiative with CIC and Saskatchewan's commercial Crown corporations. The goal of Crown Career Pathways is to recruit and retain Indigenous graduates from post-secondary education into permanent careers in Saskatchewan's Crown sector, executive government, or private sector.

CIC assesses and benchmarks Crown corporate governance to industry standards and best practices using a third party, Governance Solutions Inc. (GSI). 2023-24 was a non-reporting year, and the next governance review will take place in 2025-26.

Financial

Balanced Scorecard

	Performance Measure	2022-23 Results	2023-24 Target	2023-24 Results	2024-25 Target
F1	CIC dividend and equity repayments to the General Revenue Fund	$236.5M	$52.0M	$152.0M	$210.0M
F2	Consolidated return on equity (ROE) target	0.3%[1]	5.8%	9.2%	8.3%
F3	Consolidated debt ratio	63.5%[1]	62.7%	63.7%	65.7%
F4	Crown utility affordability	N/A	N/A	N/A	Amongst the lowest two provinces in Canada

[1] Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations.

Performance Indicator Key:

Exceeds Target >120% | On Target 95% – 120% | Slightly Off Target < 95% | Off Target < 80% | Not Reported This Period

2023-24 Performance Discussion

CIC measures and monitors the Crown sector's financial health to ensure sufficient capacity to provide infrastructure and high-quality services that Saskatchewan people expect. A detailed discussion of consolidated financial performance is provided in the MD&A beginning on page 38, with a summary overview provided below.

CIC's dividend payment to the General Revenue Fund (GRF) of $152.0 million exceeded target by $100 million. This is mainly due to the target being set prior to the establishment of Lotteries and Gaming Saskatchewan (LGS) on April 1, 2023. On June 1, 2023, LGS began its operational oversight responsibility for Saskatchewan casinos, video lottery terminals, lotteries and online gaming. Earnings from these business lines flow through LGS.

Consolidated earnings were $578.3 million in 2023-24, which is $199.8 million higher than budget, resulting in an ROE of 9.2 per cent. This increase in ROE was primarily due to increased earnings at SaskPower driven by increased economic activity leading to higher demand and electricity sales. SGI Canada also experienced a gain from lower-than-expected summer storm activity and administrative expenses.

The consolidated debt ratio finished the year better than target at 63.7 per cent. This was primarily driven by higher borrowing at SaskPower, SaskTel and LGS to finance capital expenditures. Crown debt ratios are comparable to industry levels and are monitored to ensure sustainability.

A new Crown utility affordability measure has been added to CIC's balanced scorecard to ensure utility rates are reasonable and competitive. The 2024-25 target is for Saskatchewan's combined utility rates to be amongst the lowest two provinces in Canada.

Internal Operations

Balanced Scorecard

Performance Measure		2022-23 Results	2023-24 Target	2023-24 Results	2024-25 Target
IO1	Meet financial and performance reporting requirements	Quarterly and annual reports released on time	Quarterly and annual reports released on time	Quarterly and annual reports released on time	Quarterly and annual reports released on time
IO2	CIC operating expenditures	3.1% below budget	Within budget	14.0% below budget	Within budget
IO3	Employee engagement	102.7%	Non-reporting year of a two-year cycle	Non-reporting year of a two-year cycle	≥TalentMap North American norm
IO4	Employee enablement	97.6%	Non-reporting year of a two-year cycle	Non-reporting year of a two-year cycle	≥TalentMap North American norm

Performance Indicator Key:

Exceeds Target >120% | On Target 95% – 120% | Slightly Off Target < 95% | Off Target < 80% | Not Reported This Period

2023-24 Performance Discussion

CIC's performance metrics for internal operations aim to achieve accountability to the public, effective use of CIC's financial resources, and an engaged and enabled staff.

CIC releases various reports throughout the year to uphold accountability and transparency with the public. The release of financial and performance reporting is governed by policy, and in some cases, such as CIC's Annual Report, by legislation. In 2023-24, CIC provided quarterly and reports on losses to the Standing Committee on the Crown and Central Agencies (CCAC), tabled the CIC Annual Report on July 28, 2023, and submitted the 2022-23 Payee Disclosure Report to the CCAC and released it to the public in October 2023. All quarterly financial reports were approved by the CIC Board and posted to CIC's website within 75 days of quarter-end.

CIC operating expenditures were 14.0 per cent or $2.5 million below budget in 2023-24. This was largely due to savings in salaries and benefits from vacant positions filled later than anticipated, delayed commencement of various consulting projects and savings in Crown Board training costs. In addition, the Saskatchewan Rate Review Panel (SRRP) completed one less review than anticipated.

CIC conducts its employee survey on a two-year cycle, with 2023-24 being a non-reporting year. Strong scores in 2022-23 indicate CIC's workforce was engaged and enabled. Priority areas of focus identified through the survey included professional growth, teamwork, organizational vision, innovation and role clarity. The employee survey will be conducted in Fall 2024.

Rationale for Selection of Performance Measures

PM Code	Rationale for Selection of Performance Measures (PM)
S1-S5	Provides for direct assessment by key stakeholders on the performance of CIC in achieving mutual goals and executing shared processes. The surveys are administered by an independent agency to ensure confidential disclosure and unbiased interpretation of results.
LP1	To monitor Crown progress towards achieving government's priority on efficiency. Measures the efficiency of revenues in generating profit in the Crown sector.
LP2	Indicates the benefits achieved within the Crown sector and by participating Treasury Board Crowns, agencies and ministries by working together.
LP3	Focuses on CIC's role in the leadership and oversight of public policy programs, aligning with Shareholder priorities.
LP4	Benchmarking Crown sector governance to industry standards or best practices by an independent 3rd party.
F1	Provide an appropriate return to the Shareholder in an amount directed by the Shareholder.
F2	Indicates the level of profitability across the Crown sector by measuring Crown sector returns as a percentage of the average equity in the Crown sector. Although the measure cannot be benchmarked to industry on a consolidated basis, results can be compared year over year.
F3	Indicates the level of financial flexibility in the Crown sector by measuring Crown sector debt as a percentage of capital (debt plus equity) in the Crown sector. Higher ratios indicate increased debt burden which may impair the Crown sector's ability to withstand downturns in revenues and still meet fixed payment obligations. Although the measure cannot be benchmarked to industry on a consolidated basis, results can be compared year over year.
F4	Ensure the Saskatchewan utility bundle remains reasonable and amongst the lowest in Canada.
IO1	Ensures accountability and transparency of financial and performance results. Release of financial and performance reporting is governed by policy, and in some cases, such as CIC's Annual Report, by legislation.
IO2	CIC is given the authority to make expenditures within the operating budget as approved annually by the CIC Board.
IO3, IO4	CIC employee engagement and enablement is benchmarked against other corporate entities and is monitored through surveys conducted by an independent 3rd party.

The Melfort East Expansion project was part of SaskEnergy's natural gas system growth in 2023-24.

SaskEnergy

ORGANIZATIONAL OVERVIEW

$5 million in renovations were completed at Casino Moose Jaw in 2023-24, reflecting government's commitment to remain competitive and stay on the cutting edge of casino gaming in our province.

LGS

Governance

Board of Directors

The CIC Board of Directors consists of elected government officials appointed by the Lieutenant Governor in Council pursuant to *The Crown Corporations Act, 1993*. The Board makes decisions, provides advice and recommendations to the provincial Cabinet, and functions as a key committee to Cabinet.

The CIC Board oversees the strategic direction and risk management of the CIC Crown sector. In 2023-24, the government's strategic vision focused on operating as one team; continued Crown collaboration; best-value procurement and aligning initiatives to support economic growth for the province.

Board Responsibilities

The CIC Board is committed to the government's vision and to ensuring alignment of the CIC Crown sector through the following activities:

- setting strategic priorities for the Crown sector;
- overseeing and ensuring that risks are properly managed and appropriate authorities and controls are in place;
- providing strategic oversight to subsidiary Crown corporations by reviewing annual business plans, setting performance expectations, allocating capital within the sector, as well as monitoring and evaluating performance; and
- providing oversight in setting corporate strategic direction, identifying risks and opportunities, approving CIC's business plans and budgets, and monitoring and evaluating corporate performance.

Board Committees

The CIC Board does not have separate nominating, compensation or audit and finance committees.

- CIC Board members are appointed by the Lieutenant Governor in Council; therefore, there is no nominating committee.
- The CIC Board acts as a compensation committee by approving an executive compensation framework (page 35) that applies to the executives of CIC and all subsidiary Crown corporations. The Board Chair provides oversight of and evaluates the annual performance of the CIC CEO.
- The CIC Board reviews and approves CIC's financial statements and meets with external auditors and the Provincial Auditor without management present.

In 2021-22, a Power Generation sub-committee was established, consisting of select CIC Board members, the Minister of Environment and CIC's President & CEO. The purpose of the sub-committee was to canvass issues related to power generation and return to the CIC Board for strategic discussions about the direction the Government of Saskatchewan could go in relation to power generation in the province. The committee members during 2021-22 were:

- Honourable Don Morgan, K.C., Chair
- Honourable James Reiter, Vice-Chair
- Honourable Dustin Duncan, Member
- Honourable Warren Kaeding, Member
- Kent Campbell, Member

After several strategic meetings were held by the sub-committee, the subject of power generation in Saskatchewan returned to the CIC Board for subsequent meetings and consideration by a full board contingent. The CIC Board has retained carriage of this subject and has not referred a matter to the Power Generation sub-committee since April 2022.

In February 2023 the Lotteries and Gaming Saskatchewan Corporation (LGS) sub-committee was established to provide oversight on decisions required to set up LGS as a Crown corporation. The process of creating a new Crown corporation required decisions by CIC as the future holding company of LGS before LGS was incorporated by statute. The LGS sub-committee was dissolved in June 2023 once *The Lotteries and Gaming Saskatchewan Corporation Act* came into effect.

The LGS sub-committee members were:

- Honourable Don Morgan, K.C., Chair
- Honourable Lori Carr, Member

Board Appointments & Renewal

The appointment and removal of members of the CIC Board, as well as the designation of the Chair and Vice Chair, are the prerogative of the Lieutenant Governor in Council. The Minister of Crown Investments Corporation must be a member of the CIC Board and is appointed as the CIC Board Chair. Pursuant to *The Crown Corporations Act, 1993*, members hold office for a term not greater than three years or until a successor is appointed. Member appointments can be renewed at expiry. There were eight members on the CIC Board as of March 31, 2024. The Board members are non-independent directors.

Honourable
Dustin Duncan

Honourable
Don Morgan, K.C.

Honourable
Bronwyn Eyre

Honourable
Lori Carr

Honourable
Laura Ross

Honourable
Joe Hargrave

David Buckingham

Travis Keisig

Terms for the Honourable Everett Hindley and Mr. Doug Steele ended on August 28, 2023, and the Honourable Bronwyn Eyre and Mr. Travis Keisig were added to the CIC Board.

CIC Board Members

Honourable Dustin Duncan

Chair – August 29, 2023 to March 31, 2024[1]
Member – February 2, 2018 to August 28, 2023

Minister of Crown Investments Corporation

Minister Responsible for all major Crown corporations, including SaskPower, SaskEnergy, SaskTel, SGI and SaskWater

Minister Responsible for the Public Service Commission

Minister Responsible for Saskatchewan Liquor and Gaming Authority

Mr. Duncan was first elected as the MLA for Weyburn-Big Muddy constituency in a by-election in June 2006. He was re-elected in the 2007, 2011, 2016 and 2020 provincial elections.

On August 29, 2023, Premier Scott Moe appointed Mr. Duncan as the Minister of Crown Investments Corporation.

Previously, he served as Minister of Education, Minister of Environment, Minister Responsible for SaskPower, Minister of Energy and Resources, Minister of Health, Minister Responsible for SaskEnergy, Minister Responsible for SaskWater, Minister Responsible for the Global Transportation Hub, and Minister Responsible for the Saskatchewan Water Security Agency. He was first appointed to Cabinet in May 2009 as Minister of Tourism, Parks, Culture and Sport.

Honourable Don Morgan, K.C., Vice-Chair

Vice-Chair – August 29, 2023 to March 31, 2024[1]
Chair – April 20, 2023 to August 28, 2023
Member – November 9, 2020 to April 19, 2023
Vice-Chair – August 23, 2016 to November 8, 2020

Provincial Secretary

Mr. Morgan was first elected in 2003 as the MLA for the Saskatoon Southeast constituency. He was re-elected in the 2007, 2011, 2016 and 2020 provincial elections. During his term in opposition, Mr. Morgan served as critic for Justice, deputy critic for First Nations and Métis Relations, Opposition Deputy House Leader, and sat on the legislature's Standing Committee on Private Bills.

Since the 2007 provincial election, Mr. Morgan has served the province as Minister of Justice and Attorney General, Minister of Education and Minister of Advanced Education. He currently serves as Provincial Secretary, having previously served as Minister of Crown Investments Corporation and Minister Responsible for SaskEnergy, SGI, SaskPower, SaskTel, SaskGaming, SaskWater, and the Chair for the LGS subcommittee. He was also Minister of Labour Relations and Workplace Safety, and Minister Responsible for the Workers' Compensation Board. He also served as Chair of the caucus Legislation and Regulation Review Committee.

Mr. Morgan practiced law in Saskatoon from 1979 to 1988 and 1992 until 2007. From 1988 to 1992 he was Chair and CEO of the Saskatchewan Legal Aid Commission and was appointed Queen's Counsel in 1990. Mr. Morgan served on the Saskatoon Public School Board from 1999 to 2003, including a term as Board Chair. He was Board Chair of the Mendel Art Gallery, as well as volunteering with numerous other charitable organizations.

Honourable Bronwyn Eyre

Member – August 29, 2023 to March 31, 2024[1]

Minister of Justice and Attorney General

Brownyn Eyre was elected MLA for Saskatoon Stonebridge-Dakota in 2016 and re-elected in 2020.

A former radio broadcaster, columnist and university lecturer, Bronwyn also served as a Saskatoon public school board trustee. Previously, she was a senior writer/editor for UK-based legal publications Commercial Lawyer and European Lawyer. She attended McGill University and the University of Saskatchewan, where she graduated from the College of Law in 1996, and speaks French, German, and Italian.

Bronwyn has served as Minister of Advanced Education, Minister of Education, Minister responsible for the Status of Women, Minister responsible for SaskEnergy and SaskWater, and Minister of Energy and Resources from 2018 to 2022.

She was appointed Minister of Justice and Attorney General on May 31, 2022.

Honourable Lori Carr

Member – August 29, 2023 to March 31, 2024[1]
Vice-Chair – April 20, 2023 to August 28, 2023
Member – May 31, 2022 to April 19, 2023

Minister of Highways

Ms. Carr was elected as the MLA for Estevan in the 2016 provincial election. Prior to her current role in Cabinet, she has served as Minister of Highways and Infrastructure, Minister of Government Relations, Minister of Social Services, Minister responsible for First Nations, Métis and Northern Affairs, and Minister responsible for the Provincial Capital Commission. Ms. Carr has also been a member of the government's leadership team as Deputy Whip and has served as a Legislative Secretary to both the Minister of Finance and the Minister responsible for SaskPower.

Ms. Carr is very active in the community as a board member for the Air Cadet League, Sun Country Health Region and Ducks Unlimited. She also spent ten years serving on Estevan city council.

Honourable Laura Ross

Member – June 1, 2023 to March 31, 2024[1]

Minister of Parks, Culture and Sport
Minister Responsible for the Status of Women Office
Minister Responsible for Francophone Affairs
Minister Responsible for Lotteries and Gaming Saskatchewan

Laura Ross was first elected MLA for Regina Qu'Appelle Valley in the 2007 provincial election. She was re-elected in 2011, 2016, and 2020. Laura was appointed as Legislative Secretary to the Minister of Health, responsible for retention and recruitment of nurses, long-term care and the reduction of surgical wait times. She was also appointed a term as the Minister of Government Services, and she previously served on the Board of Internal Economy. Laura currently serves as Minister of Parks, Culture and Sport, and Minister responsible for the Status of Women. She is a member of the caucus Management Committee.

Honourable Joe Hargrave

Member – November 9, 2020 to March 31, 2024[1]
Chair – August 23, 2016 to November 8, 2020

Mr. Hargrave was first elected to the Saskatchewan Legislature in 2016 in the constituency of Prince Albert Carlton and was re-elected in 2020.

Mr. Hargrave has previously served as Minister of Highways, Minister Responsible for Saskatchewan Water Security Agency, Minister Responsible for SaskEnergy and SaskTel, Vice-Chair of the SaskBuilds Corporation Board, and Vice-Chair of Public Sector Bargaining. He was also Minister of Crown Investments, Minister Responsible for SGI, Minister Responsible for SOCO and Chair of the CIC Board.

Mr. Hargrave was an owner/operator of Riverside Dodge and Riverside Hyundai. He was also a manager with the Bank of Montreal for 20 years. His community involvement has included the Rotary Club, Board of Police Commissioners for Prince Albert, and Prince Albert and District Community Futures.

David Buckingham

Member – November 9, 2020 to March 31, 2024[1]

Mr. Buckingham was first elected MLA for Saskatoon Westview in the April 2016 provincial election and was re-elected in 2020. He is the government caucus Chair. He has been a board member on the Meewasin Valley Authority since May 2017. Mr. Buckingham has successfully completed his Fellowship with the Bowhay Institute of Legislative Leadership. He was previously the chair of the Standing Committee on the Economy, a member of the Standing Committee on Public Accounts, and the Legislative Secretary to the Minister of Immigration and Career Training. In 2020, Mr. Buckingham was appointed Legislative Secretary to the Minister Responsible for SaskTel and SGI. Prior to becoming an MLA, Mr. Buckingham served as Mayor of Borden for two terms, and Councilor for one term. He is the co-founder of the Highway 16 Fire Commission, and active volunteer in the community.

Travis Keisig

Member – August 29, 2023 to March 31, 2024[1]

Mr. Keisig was elected as the MLA for Last Mountain-Touchwood in the 2020 provincial election and currently serves as a member of the Standing Committee on the Intergovernmental Affairs and Justice and is Legislative Secretary to the Minister of Crown Investments Corporation. Mr. Keisig lives and farms in the RM of Tullymet No. 216. He and his wife, Sheila, have two daughters.

[1] To the end of the reporting period.

During 2023-24, a total of 14 meetings were held by the CIC Board. The Board members are provided with meeting material in advance. As a standing agenda item, the Board has the option to hold in-camera sessions without management present where all CIC Board members can participate. Board members do not receive remuneration (retainers or per diems) for their participation on the CIC Board.

Organizational Structure

Operating Divisions

CIC's team included 57 permanent positions and 1 term position as of March 31, 2024 within five divisions. Each division's responsibilities are summarized below:

President's Office

Division Units	Management Staff	
• President • Communications and Community Relations	• Kent Campbell, President & CEO ‣ Joanne Johnson, Executive Director, Communications and Community Relations ‣ Melissa Morris, Manager, Executive Operations *(seconded)* ‣ Jennifer Hartung, Manager, Executive Operations	The President's Office oversees the operations of CIC and provides strategic guidance and direction for the Crown sector, ensuring Crown business plans align with government priorities and public policy direction. The division: • provides support and leadership in Crown communications; • facilitates internal communications at CIC and corporate communications across the sector; • provides management oversight and strategic leadership and advice on government and Crown-related issues and projects, and • manages day-to-day operations, priorities and issues at CIC and within the sector.

Crown Energy Security

Division Units	Management Staff	
• Nuclear • Energy Transition	• David Brock, Vice President, Energy Security ‣ Brett Paquin, Director, Nuclear ‣ Cameron Sisson, Director, Energy Transition	The Crown Energy Security Division models, plans, and coordinates provincial policy on electricity, natural gas, and nuclear energy. The division facilitates mid-to-long term energy planning for the Crown sector, manages federal-provincial-territorial Crown-related energy matters, engages with industrial and business interests, and advances economic opportunities associated with the energy transition in the province. The division: • leads energy projects that are multi-agency and transformative, • conducts energy sector economic and policy analysis, and • coordinates policy and planning for electricity, natural gas, and nuclear energy.

Crown Planning & Priorities

Division Units	Management Staff	
• Strategic Initiatives • Strategy & Planning	• Tim Highmoor, Vice President, Crown Planning & Priorities ‣ Charles Reid, Director, Strategic Initiatives ‣ Erin Connelly, Director, Strategy & Planning	The Crown Planning and Priorities Division is responsible for strategic planning and sector alignment. It leads multi-Crown projects and priority government initiatives related to Saskatchewan's Crown sector. The division also provides leadership on: • Enterprise Risk Management, • corporate performance management, reporting and disclosure, • internal corporate planning; • collaboration across provincial government entities, • coordinating efforts to attract private sector capital investment projects to Saskatchewan, and • Crown-sector procurement.

Crown Services

Division Units	Management Staff	
• Crown Governance • Human Resources • Legal	• Kyla Hillmer, Vice President, Crown Services ‣ Eryn Siba, Executive Director, Crown Governance ‣ Glenda Francis, Executive Director, Human Resources ‣ Alan Fern, General Counsel & Corporate Secretary	The Crown Services Division provides leadership on governance and human resources management to CIC, the CIC Board of Directors, the Crown corporations and their boards. The division provides: • legal advisory services to CIC, small subsidiary Crown corporations and the CIC Board, • CIC corporate human resource strategy and functions, • oversight of Crown sector human resource policies and programs, and • development and management of leading practices in corporate governance, including corporate secretarial services, procedural advisory services to the Crown boards, and director training and development.

Finance & Administration

Division Units	Management Staff	
• Accounting • Internal Audit • Performance Management & Financial Analysis	• Cindy Ogilvie, Senior Vice President & Chief Financial Officer ‣ Brad Hunt, Corporate Controller ‣ Michael McClare, Executive Director, Performance Management & Financial Analysis ‣ Louise Usick, Executive Director, Performance Management & Financial Analysis ‣ Jennifer Thacyk, Director, Internal Audit	The Finance & Administration Division provides advice, analysis and recommendations to CIC and the CIC Board of Directors on a wide range of Crown sector business issues. The division provides support through: • strategic Shareholder direction to the Crown sector; • oversight of Crown corporation performance management and capital allocation plans; • Crown sector-wide financial reporting and forecasting; • management of CIC's budget and financial transactions; • internal audit services to CIC and the smaller subsidiary Crown corporations; • corporate administrative services and information technology management and cyber security management; and • undertaking strategic initiatives related to the Crown sector.

CIC Executive

Kent Campbell

President & CEO

Kent is a Chartered Professional Accountant, with two undergraduate degrees and a Master's Degree in Business Administration. Kent has over 27 years of service with the Government of Saskatchewan and joined CIC in 2020. Prior to his current role, Kent has served as Deputy Minister of Energy and Resources, Deputy Minister of Economy, Deputy Minister of Intergovernmental Affairs, Interim Deputy Minister to the Premier and Cabinet Secretary and Deputy Minister of Trade and Export Development.

Cindy Ogilvie

Senior Vice President & CFO, Finance & Administration

Cindy is a Chartered Professional Accountant. She has over 29 years of service with the Government of Saskatchewan, joining CIC in 2001. Cindy became the Vice President and Chief Financial Officer, CIC in 2015. She is the Chair of the CIC AMI Board on behalf of CIC. Cindy obtained her Chartered Directors designation (ICD.D) in 2021.

David Brock

Vice President, Energy Security

Prior to joining CIC in 2022, David was an Assistant Deputy Minister with the Ministry of Environment. Before moving to Saskatchewan in 2017, David was in the Northwest Territories serving as Deputy Secretary to Cabinet for Priorities and Planning. David is co-chair of the national Nuclear Leadership Table, on the Energy Policy Council of the C.D. Howe Institute, the editorial board of the Journal of Parliamentary and Political Law, and the board of directors of the Regina Symphony Orchestra.

Kyla Hillmer

Vice President, Crown Services

Kyla is a Chartered Professional Accountant. She has over 19 years of service with the Government of Saskatchewan, joining CIC in 2005. Kyla became the Vice President, Crown Services, CIC in 2022. Prior to this role, she led CIC's Performance Management & Financial Analysis Unit. Kyla is on the Board of Directors of Governance Professionals of Canada, including as a member of its Finance & Compensation Committee.

Tim Highmoor

Vice President, Crown Planning and Priorities

Tim has 17 years of service with the Government of Saskatchewan in both executive government and the Crown sector. He joined CIC in December 2020. Tim currently sits on numerous Executive Government and Crown sector committees and holds a Master's Degree in Agricultural Economics.

Joanne Johnson

Executive Director, Communications and Community Relations

Joanne has a Master's of Administration Leadership, is a certified Public Sector Governor, and holds two university certificates in Business Administration. Joanne joined CIC in 2016 and has over 38 years of service with the Government of Saskatchewan in both executive government and the Crown sector.

Melissa Morris

(seconded to Tourism Saskatchewan, February 2024 to December 2024)

Manager, Executive Operations

Melissa is the Manager of Executive Operations at CIC. Melissa has been with CIC for 13 years and oversees delivery and execution of corporate priorities and prudent management at CIC as a member of the executive team, and on behalf the President & CEO.

Jennifer Hartung

Manager, Executive Operations

Jennifer is the Manager of Executive Operations at CIC. Jennifer has been with CIC since February 2024 and with the Government of Saskatchewan for 16 years. Jennifer oversees delivery and execution of corporate priorities and prudent management at CIC as a member of the executive team, and on behalf the President & CEO.

Executive Compensation

The Crown sector executive compensation philosophy is based on a "total compensation" approach, utilizing components of base salary, salary holdback, benefits and pension as a comprehensive package. There remains a recognized need to maintain a meaningful degree of competitiveness with the relevant external market, while balancing the needs and expectations of public sector organizations. CIC has an overall and shared authority for executive compensation governance across the Crown sector, with individual Crown corporation boards having a degree of autonomy within the established governance framework.

As required by *The Crown Employment Contracts Act*, the CEO and direct reports of the CEO report the details of their compensation and benefits to the Clerk of Executive Council. These filings are available for public review.

Consistent with CIC Board and Cabinet-approved ranges, the 2023-24 CIC senior executive base salary ranges were:

Position	Base Salary Range
CEO	$318,146 - $397,682
Executive 1	$248,169 - $310,211
Executive 2	$210,945 - $263,681

2023-24 CIC Executive Compensation

Base Salary (71%)	Vacation & Flex Days (11%)
Pension & Retiring Allowance (10%)	Vehicle Allowance (3%)
General Benefits (3%)	Flexible Credit Account (2%)

The Standing Committee on Crown and Central Agencies requires all Crown corporations to file an annual payee list, which includes remuneration information for the executive members. Payee Disclosure Reports are available on CIC's website at **www.cicorp.sk.ca**. The CIC Board reviews the details of these expenditure reports annually.

Employee Conduct and Development

Corporate Policies

CIC strives to maintain the highest legal and ethical standards in all its business practices. Each employee is expected to act responsibly, with integrity and honesty, and to comply with CIC's code of conduct and its underlying policies and objectives. CIC operates under a complete, regularly updated and approved set of corporate policies and procedures. CIC requires all employees, including new employees at time of hire, to annually confirm in writing that they have read, understand and agree to comply with the policies relating to employee conduct:

- Employee Conduct Policy;
- Personal Information Privacy Policy;
- Acceptable Use of Computing Resources Policy; and
- Anti-Harassment Policy.

CIC has been advancing its Workplace Violence Policy and prevention plan throughout 2023-24, with implementation for all employees beginning in May 2024. The policy and plan strengthen CIC's commitment to providing a safe and healthy workplace for all employees and complies with amendments to *The Saskatchewan Employment Act* requiring all provincially regulated workplaces to have a violence policy and prevention plan in place by May 17, 2024.

Strong security procedures are in place and continue to evolve to keep up with the cyber security landscape. These security processes ensure CIC can continue critical operations in the event of an incident or disruption. CIC is committed to ensuring its information technology (IT) and cyber security structure meets industry standards. CIC has adopted an industry leading framework developed by the U.S National Institute of Standards and Technology (NIST). CIC continues to work with IT and cyber security experts on cyber incident preparedness, as well as monitoring, evaluating and testing IT systems using the NIST framework as its base of reference. These enhancements establish defined responsibilities, actions, and procedures to recover CIC's IT infrastructure in the event of an unexpected interruption or loss of computing resources. In addition, through CIC's Cyber Security Committee, recommendations and decisions are made to enact best practices in IT security and to bolster education and awareness across CIC.

Professional Development

CIC provides opportunities for professional development at all levels. CIC's corporate programs, policies and practices form a solid foundation for ensuring the corporation is well positioned to retain the knowledge and competencies required to carry out its mandated responsibilities. They include:

- leadership development for executive and management team members;
- budgeted resources for employee development;
- the requirement for a training and development objective in the annual work plan of all team members as well as documentation of career goals and objectives;
- organizational succession planning, to manage the risks associated with the departure of employees in positions critical to CIC from a strategic and operational perspective; and
- a Phased Retirement Policy to facilitate knowledge transfer from senior employees planning to retire to those employees who will take on their responsibilities.

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A press conference for the City of Regina's e-scooter bylaw announcement on June 28, 2023. Rental e-scooter vendors, Byrd and Neuron, were on hand to give demonstrations.

(left to right) Michaela Solomon, Communications Consultant; Tyler McMurchy, Manager of Media Relations; Erica Deschamps, Director, Corporate Auto Fund Partnerships; Curtis Mead, Director, Issuer & Customer Support Services.

SGI

CIC Consolidated Management Discussion & Analysis

Preface

The purpose of the following discussion is to provide the users of CIC's financial statements with an overview of the Corporation's financial performance and the various measures CIC uses to evaluate its financial health. The following analysis of CIC's consolidated 2023-24 financial results should be read in conjunction with the audited consolidated financial statements. For purposes of CIC's consolidated management discussion & analysis (MD&A), "CIC" and "Corporation" refer to the consolidated entity. The Corporation's consolidated financial statements are prepared in accordance with IFRS Accounting Standards and, as such, consolidate the results of all CIC subsidiary corporations.

Producing two different views of CIC's operations and results, with consolidated and separate financial statements, is the cornerstone of our commitment to accountability and transparency. Explanations of the differing purposes of these statements are provided in the following pages.

In addition to the information on CIC's consolidated 2023-24 financial results, the following discussion also provides detailed information regarding performance relative to the business plan, and how it affects the CIC Crown sector in the future.

Forward-Looking Information

Throughout the annual report, and particularly in the following discussion, forward-looking statements are made. These statements can be recognized by terms such as "outlook," "expect," "anticipate," "project," "continue," or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and, as a result, forward-looking statements are not a guarantee about the future performance of CIC and its subsidiary Crown corporations.

Readers should not place undue reliance on forward-looking statements, as several factors could cause actual results to differ materially from estimates, predictions, and assumptions. Factors that can influence performance include, but are not limited to global pandemics, weather conditions, commodity markets, general economic and geo-political conditions, interest and exchange rates, competition, and regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

About 1,000 SaskPower employees in high-risk roles participated in hands-on safety training during the corporation's annual Safety Days event.

A Closer View of CIC's Holdings

The Corporation is involved in a broad array of industries through various forms of investment. A number of investments are held as wholly-owned subsidiaries, while others are joint ventures and associates held through CIC's wholly-owned subsidiaries.

Investment	Major Business Line
	Utilities:
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Information and communications technology
SaskEnergy Incorporated (SaskEnergy)	Natural gas storage and delivery
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management
	Insurance:
Saskatchewan Government Insurance (SGI CANADA)	Property and casualty
	Entertainment:
Lotteries and Gaming Saskatchewan (LGS) / Saskatchewan Gaming Corporation (SGC or SaskGaming)[1]	Gaming
	Investment and Economic Growth:
CIC Asset Management Inc. (CIC AMI)	Investments

[1] Effective April 1, 2023, LGS began as a new commercial Crown corporation. LGS consolidates the management oversight for casinos, video lottery terminals (VLTs), lotteries, and online gaming. As part of the new Crown corporation, SGC was reconfigured as a wholly-owned business subsidiary of LGS and will continue to operate casinos Regina and Moose Jaw, with no significant changes to overall operations. SGC's financial results have been consolidated with LGS as of June 1, 2023, with the start of operations.

Profiles of material subsidiary corporations are included in this section. Each subsidiary Crown corporation prepares an annual report, which is tabled in the legislative assembly.

The data on the following page illustrates the importance of the utility, insurance and gaming business segments to the financial results of CIC. Of these corporations, SaskPower, SaskTel, SaskEnergy, SGI CANADA and LGS are the most significant in terms of assets, liabilities, and operating earnings generated.

Understanding CIC's Financial Statements

CIC prepares two sets of financial statements: consolidated financial statements and separate financial statements.

CIC Consolidated Financial Statements

These statements illustrate CIC's results consolidated with the results of its subsidiary corporations. The financial statements are prepared in accordance with IFRS and include:

- financial results of subsidiary Crown corporations (SaskPower, SaskTel, SaskEnergy, SGI CANADA, LGS/SGC, and SaskWater);
- financial results for CIC's wholly-owned subsidiary (CIC AMI);
- dividends and equity repayments paid by CIC to the General Revenue Fund (GRF); and
- CIC's operating results and public policy expenditures.

Consolidated earnings represent the total earnings in the Crown sector, taking into consideration the elimination of all inter-entity transactions (i.e., revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC).

Understanding CIC's Financial Statements *(continued)*

CIC Separate Financial Statements

These statements represent CIC's earnings as the shareholder of the Saskatchewan commercial Crown sector. They assist CIC in determining its capacity to pay dividends and equity repayments to the GRF. The separate statements have been prepared in accordance with IFRS. These statements are intended to isolate the holding company's cash flow, capital support for certain subsidiary corporations, and certain public policy expenditures. These financial statements include:

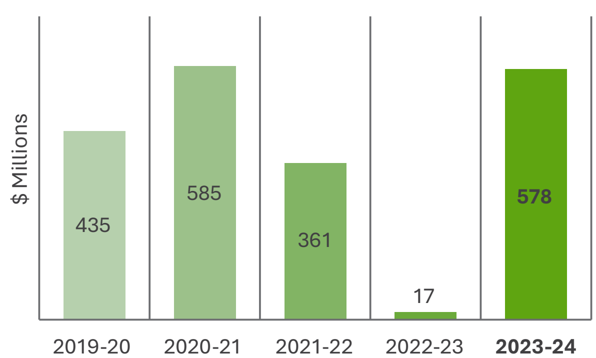
- dividends from subsidiary corporations and investments;
- dividends and equity repayments paid by CIC to the GRF;
- equity advances to and repayments from subsidiaries; and
- CIC's operating results and public policy expenditures.

CIC's 2023-24 Consolidated Financial Highlights

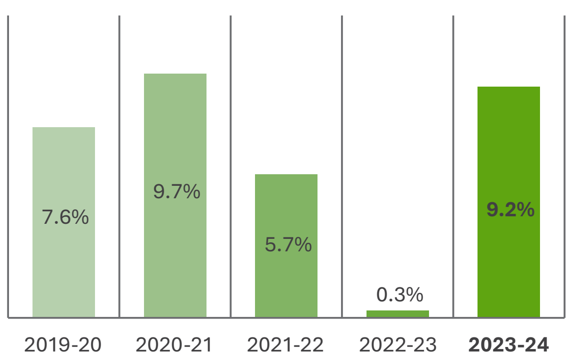
CIC Consolidated (millions of dollars)	**2023-24**	**2022-23** (Restated)*	**2021-22**	**2020-21**	**2019-20**
Net earnings	**$ 578.3**	$ 17.2	$ 361.0	$ 585.4	$ 435.4
Assets	**23,513.4**	21,869.6	21,586.2	20,962.9	20,625.5
Debt[1]	**12,575.3**	11,544.9	10,682.2	10,254.7	10,342.2
Dividend to the GRF	**152.0**	143.0	150.0	150.0	250.0
Debt ratio	**63.7%**	63.5%	60.4%	59.5%	61.1%
Return on equity	**9.2%**	0.3%	5.7%	9.7%	7.6%

* Restated for the adoption of IFRS 17 – Insurance contracts. Refer to Note 3 – Application of new accounting standards.
[1] Consolidated debt includes long-term debt, long-term debt due within one year, and notes payable.

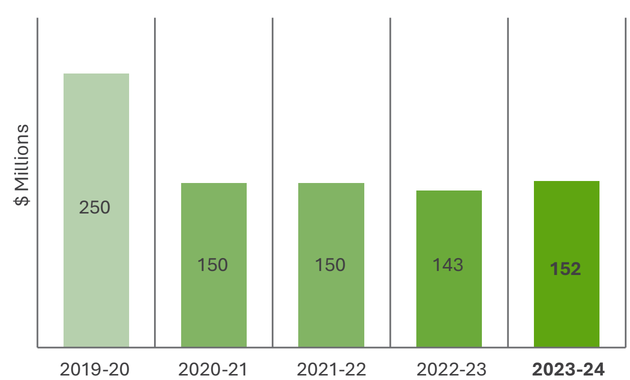
Consolidated Net Earnings



Consolidated Return on Equity



Dividends to GRF



*The Crown sector contributed **$845 million** in dividends to the GRF since 2019-20.*

Significant Events Impacting 2023-24 Consolidated Results

During 2023-24, the following significant events impacted the Corporation's consolidated results:

1. **Establishment of LGS**
   Effective April 1, 2023, LGS began as a new commercial Crown corporation and became fully operational on June 1, 2023. LGS conducts and manages video lottery terminals (VLTs) within Saskatchewan and lottery and gaming-related activities through the Western Canada Lottery Corporation (WCLC), slot machines at all Saskatchewan Indian Gaming Authority (SIGA) casinos and all SaskGaming casinos. Earnings from these activities are received by LGS and distributed to the General Revenue Fund and other various organizations in accordance with the *Lotteries and Gaming Saskatchewan Corporation Act* and Gaming Framework Agreement. As part of the new Crown corporation, SGC was reconfigured as a wholly-owned business subsidiary of LGS and will continue to operate casinos Regina and Moose Jaw, with no significant changes to overall operations.
2. **Adoption of IFRS 17, Insurance Contracts**
   The Corporation has applied IFRS 17 – *Insurance contracts* effective April 1, 2023. This standard has brought significant changes to accounting in terms of recognition, measurement, presentation and disclosure for insurance and reinsurance contracts. This new standard represents a significant change to how insurance companies recognize profit from insurance policies. Previously, insurance companies recognized profit when they received premiums. Under the new standard, insurance companies are required to recognize profit as they deliver insurance services. Over the life of an insurance contract, the same amount of revenue is earned, but the timing of revenue recognition has changed. These changes are described in Note 3 of the consolidated financial statements. The full retrospective transition approach has been applied to groups of insurance contracts issued. As a result, the Corporation has restated certain comparative information. The total impact on equity as at March 31, 2023, with retrospective application is $28.4 million.
3. **Capital Expenditures**
   During 2023-24, the Corporation spent $1,882.7 million (2022-23 - $1,618.9 million) on capital expenditures related to investing in aging infrastructure, technological and regulatory change, and meeting the demand for growth. Capital expenditures were funded through cash from operations and debt.

Accounting Policy Developments Impacting Future Consolidated Results

Several new accounting standards and amendments to standards and interpretations are not yet effective for the period ended March 31, 2024, and have not been applied in preparing the consolidated financial statements. These pronouncements are not expected to have a significant impact on the consolidated financial statements.

Consolidated Net Earnings

Consolidated Net Earnings (millions of dollars)	**2023-24**	**2022-23** (Restated)*	**2021-22**	**2020-21**	**2019-20**
LGS/SGC	**$ 195.3**	$ 21.3	$ 9.5	$ (13.4)	$ 20.1
SaskPower	**184.6**	(172.1)	10.7	160.2	205.8
SaskTel	**95.4**	104.1	104.4	130.8	119.8
SGI CANADA	**78.1**	34.3	81.8	172.1	49.9
SaskEnergy	**21.1**	59.4	158.3	80.8	43.5
SaskWater	**8.7**	8.6	8.7	7.4	8.4
CIC AMI	**7.1**	(6.2)	(7.3)	19.5	9.3
SOCO	**-**	-	1.1	0.6	3.0
CIC (Separate)	**211.8**	103.1	186.5	272.4	212.5
Consolidation adjustments[1]	**(223.8)**	(135.3)	(192.7)	(245.0)	(236.9)
Consolidated Net Earnings	**$ 578.3**	$ 17.2	$ 361.0	$ 585.4	$ 435.4

* Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations.

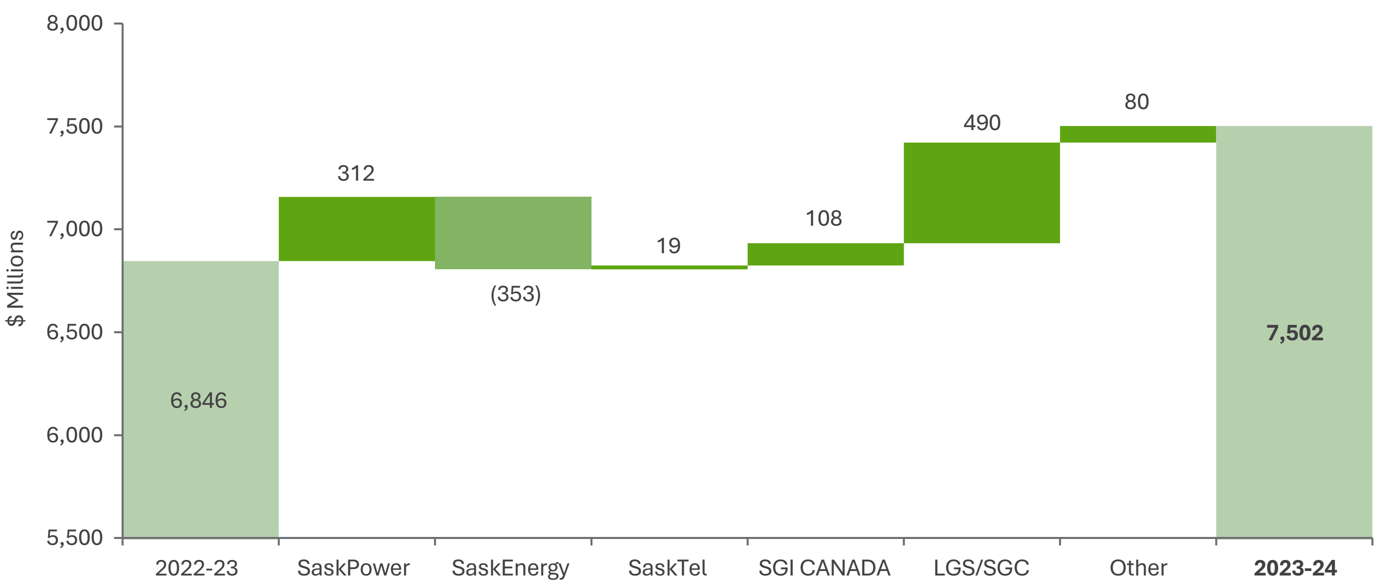
[1] Consolidation adjustments reflect the elimination of all inter-entity transactions, such as revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC.

Analysis of Consolidated Revenues and Expenses

Revenue and Other Income

Revenue and other income was $7,502.0 million in 2023-24 (2022-23 - $6,846.1 million), an increase of $655.9 million from the same period in 2022-23. This was primarily a result of increased revenues at SaskPower, SGI CANADA and the start of LGS operations partially offset by a decrease at SaskEnergy.

Changes in Revenue and Other Income



CIC CONSOLIDATED

Analysis of Consolidated Revenues and Expenses *(continued)*

Changes in Revenue and Other Income *(continued)*

SaskPower's revenue increased by $312.3 million primarily due to economic recovery and higher Saskatchewan electricity sales attributed to higher demand and system average rate increases. Electricity sales volumes to Saskatchewan customers were up due to increased activity in the oilfield customer class and major power customer sectors including pipeline, potash, and oil refineries.

SGI CANADA revenue increased by $108.3 million due to growth across all jurisdictions' lines of business. This includes some customer growth as well as premium pricing adjustments. The largest growth was seen in Ontario (11.9%), Alberta (9.9%), British Columbia (7.7%), and Saskatchewan (7.1%).

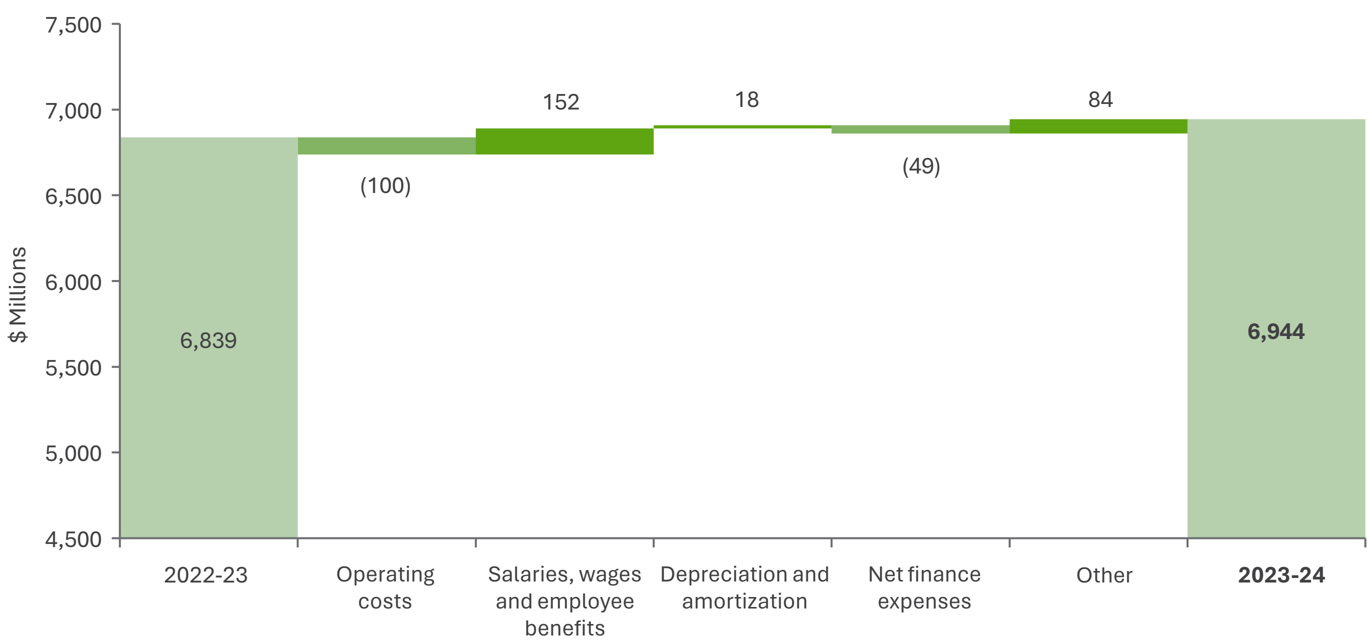
On June 1, 2023, LGS became responsible for the management oversight of Saskatchewan's casinos, VLTs, lotteries and online gaming. The transition of these revenue streams to LGS largely accounts for the increase in revenues of $490.0 million. VLT, land-based casino and slot machine earnings continues to grow due to strong economic conditions and translating into higher spend per guest. Online gaming has improved since its inception in November 2022, but illegal operators well established in the online gaming space creates competitive challenges.

SaskEnergy revenue decreased by $353.3 million largely due to warmer than expected weather softening customer natural gas demand and delivery service. There were fewer opportunities to take advantage of unutilized transportation capacity to boost revenues. When some sections of the Alberta natural gas transportation infrastructure were down for maintenance last year, SaskEnergy was able to take advantage and use its excess transportation capabilities to sell natural gas to Alberta at favourable prices. The market in 2023 returned to more "normal" operation and therefore the opportunities are not as numerous nor profitable.

Operating and Net Finance Expenses

Total operating and net finance expenses were $6,943.6 million in 2023-24 (2022-23 - $6,838.9 million), an increase of $104.7 million from the same period in 2022-23. This was primarily due to increased salaries, wages and employee benefits and other expenses, partially offset by decreased operating costs and net finance expense.

Changes in Total Operating and Net Finance Expenses



Analysis of Consolidated Revenues and Expenses *(continued)*

Salaries, Wages and Employee benefits

Salaries, wages and employee benefits increased by $152.5 million to $1,153.2 million (2022-23 - $1,000.7 million). A significant part of the increase is due to annual economic and in range salary increases. However, some Crowns have added staff since the prior period most notably at LGS due to the start of its operations, at SGI CANADA due to its efforts to transform its business processes in becoming a digital insurer, at SaskEnergy due to the filling of existing vacant positions, and at SaskPower to support energy transition and distribution transformation initiatives.

Other Expenses

Other expenses were $333.5 million in 2023-24 (2022-23 - $250.4 million), an increase of $83.1 million primarily due the start of the LGS operations. LGS provided $114.0 million in payments to the General Revenue Fund in 2023-24 for the First Nations Trust, Community Initiatives Fund, Community Development Corporation and the Métis Development Fund as well as the lottery licensing fee. These payments are dependent on income from SGC and SIGA casinos.

Operating Costs

Operating costs were $3,989.8 million in 2023-24 (2022-23 - $4,089.7 million), a decrease of $99.9 million from the same period in 2022-23. This was primarily due to lower costs at SaskPower and SaskEnergy partially offset by the higher cost at SGI CANADA and the start of LGS operations.

SaskPower saw a significant decrease in fuel and purchased power costs because of lower natural gas prices. Part of these price savings was offset by increased generation input costs in order to meet higher demand combined with the need to use more natural gas generation instead of lower cost hydro generation due to water levels.

SaskEnergy's operating costs decreased partially due to softened customer demand resulting from warmer than normal temperatures combined with fewer opportunities take advantage of unutilized transportation capacity to boost sales, both situations resulted in lower natural gas purchases and other costs associated with sales. Opportunities like the gas line maintenance that occurred in Alberta last year, have not occurred in 2023-24.

SGI CANADA's operating costs increased primarily due to the increase in the number of claims, high inflationary pressures impacting claim costs, a decrease in discount rates translating into higher expected future claim costs, and the cost of transforming or changing the company's business processes in becoming a digital insurer. Premium growth also has an impact on operating costs as more customers and/or more products per customer means more claims can be expected.

Net Finance Expense

Net finance expense decreased by $48.5 million to $439.9 million (2022-23 - $488.4 million) primarily due to improvements in investment earnings on fixed income and equity returns year over year at SGI CANADA.

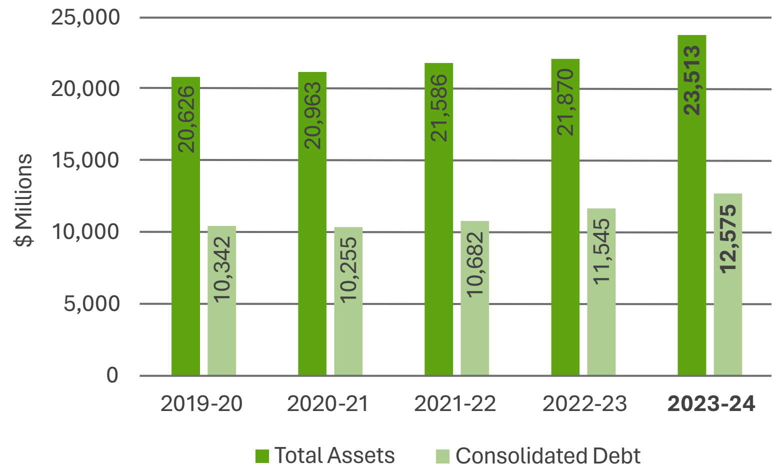
LEGACY ØNE

CIC supported Legacy One, a charitable organization that uses urban arts, including spoken word poetry, music, media and stories to inspire, challenge, and equip youth to overcome adversity and thrive in their mental health.

Analysis of Consolidated Capital Resources

Consolidated Debt

The Corporation closely monitors the debt levels of its subsidiaries, utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in a corporation's capital structure. Too high a ratio relative to target, which is benchmarked to industry, indicates a debt burden that may impair a corporation's ability to withstand downturns in revenues and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the period.



The Corporation reviews the debt ratio targets of all its subsidiary Crown corporations on an annual basis to ensure comparability with industry standards. This review includes subsidiary Crown corporations' plans for capital spending over the medium term. The target debt ratios for subsidiary Crown corporations are benchmarked to industry and reviewed and approved by the CIC Board of Directors. The Corporation uses targeted debt ratios to compile a weighted average debt ratio for the Crown sector. The target ratio for 2023-24 was 62.7 per cent.

For further information on the Corporation's approach to capital management, refer to Note 22 of the audited consolidated financial statements.

The following table shows the Corporation's consolidated debt level and debt ratio:

	2023-24	2022-23	2021-22	2020-21	2019-20
Consolidated debt	**$ 12,575.3M**	$ 11,544.9M	$ 10,682.2M	$ 10,254.7M	$ 10,342.2M
Consolidated debt ratio	**63.7%**	63.5%	60.4%	59.5%	61.1%
Consolidated debt ratio target	**62.7%**	61.8%	61.2%	62.3%	61.8%

Debt on a consolidated basis was $12,575.3 million at March 31, 2024 (2022-23 - $11,544.9 million), a year-over-year increase of $1,030.4 million. The increase is primarily attributed to higher debt at SaskPower ($698.9 million), SaskTel ($159.3), LGS ($102.1 million), and SaskEnergy ($54.3 million). These increases in debt were primarily required to fund a portion of capital expenditures needed to sustain infrastructure and meet the demand for growth. LGS borrowed $78.1 million to fund the purchase of assets of SLGA Holding Inc.

Over the last five years, consolidated debt has increased $2.2 billion in support of increased assets of $2.9 billion.

Capital Spending

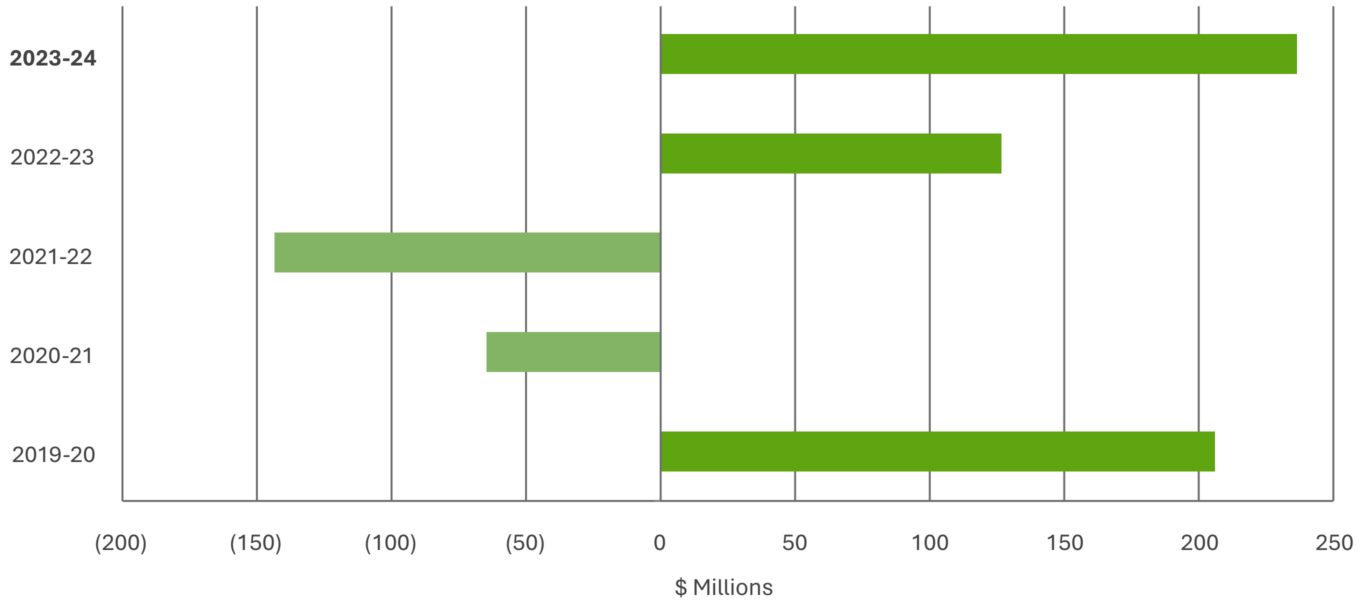
Capital spending (property, plant and equipment, investment property and intangible asset purchases) increased $263.8 million to $1,882.7 million in 2023-24 (2022-23 - $1,618.9 million) primarily due to increased spending to address aging infrastructure, invest in new technology, meet regulatory requirements and the demand for growth. Major capital expenditures in 2023-24 included:

- $1,125.0 million at SaskPower related to new natural gas generation projects, connecting customers to the electricity system, increasing grid capacity, sustaining transmission and distribution infrastructure and the construction of the warehouse complex that will centralize maintenance, inventory and supply chain functions in Regina;
- $355.8 million at SaskTel to connect more Saskatchewan families, businesses, and communities to the fibre network, and expand the reach of 5G wireless network.
- $267.5 million at SaskEnergy primarily related to customer connections, system expansions to meet customer growth, and spending to ensure the safety and integrity of its extensive distribution and transmission system.
- $85.3 million at SaskWater related to the construction of the Regina non-potable water supply system to support industrial development in the region.

Operating, Investing and Financing Activities

Cash and cash equivalents for 2023-24 increased $236.8 million (2022-23 - $126.6 million) primarily due to increased cash from operating and financing activities and less cash used in investing activities. This was partially offset by cash used in investing activities. A detailed discussion of cash flows from operating, investing, and financing activities is included below.

Net Change in Cash and Cash Equivalents



Cash Flow Highlights (millions of dollars)	2023-24	2022-23
Net cash from operations	$ **1,426.5**	$ 1,146.2
Net cash used in investing activities	**(1,961.7)**	(1,628.7)
Net cash from financing activities	**772.0**	609.1
Change in cash and cash equivalents	$ **236.8**	$ 126.6

Operating Activities

Net cash from operations increased by $280.3 million to $1,426.5 million in 2023-24 (2022-23 - $1,146.2 million). The increase is due to higher net earnings. Unfavourable changes in non-cash working capital balances were primarily due to the timing of payments and receipts.

Investing Activities

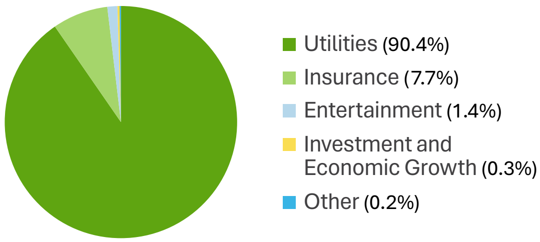
Net cash used in investing activities increased $333.0 million to $1,961.7 million in 2023-24 (2022-23 - $1,628.7 million) primarily due to higher capital spending at SaskPower, SaskWater and LGS. This was partially offset by a decrease in net investment activities at SGI CANADA and a one-time payment from Innovation Saskatchewan for the transfer of SOCO in the previous year.

Financing Activities

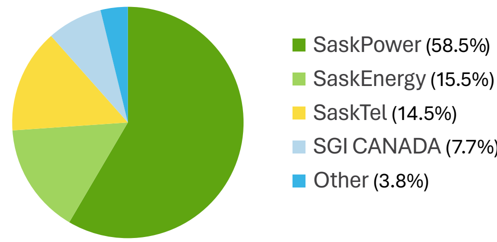
Net cash from financing activities increased $162.9 million to $772.0 million in 2023-24 (2022-23 - $609.1 million). The change was primarily due to increased debt proceeds to fund a portion of capital expenditures and lower equity payments to the GRF.

Segmented Information

Total Assets by Business Segment



Total Assets by Corporation



	Utilities		Entertainment		Insurance		Investment & Economic Growth		Other[1]		Total	
(millions of dollars)	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Statement of Income												
Total revenue	5,725	5,744	606	116	1,342	1,234	-	-	(171)	(248)	7,502	6,846
Operating (expenses) recoveries	(4,886)	(5,233)	(419)	(95)	(1,354)	(1,219)	4	(8)	151	205	(6,504)	(6,350)
Net finance (expenses) income	(528)	(511)	(7)	-	90	20	4	2	1	1	(440)	(488)
Share of net earnings from equity accounted investees	-	-	15	-	-	-	-	-	6	10	21	10
Net earnings (loss) from continuing operations	311	-	195	21	78	34	8	(6)	(13)	(33)	579	17
Net earnings from discontinued operations	(1)	-	-	-	-	-	-	-	-	-	(1)	-
Net earnings (loss)	310	-	195	21	78	34	8	(6)	(13)	(33)	578	17
Statement of Financial Position												
Current assets	1,939	1,674	122	18	325	306	65	26	5	1	2,456	2,025
Investments & other	1,707	1,635	46	5	1,472	1,315	4	40	124	122	3,353	3,117
Capital assets[2]	17,605	16,715	160	66	24	20	-	-	(85)	(74)	17,704	16,727
	21,251	20,024	328	89	1,821	1,642	69	66	44	49	23,513	21,870
Current liabilities	3,211	2,880	188	22	1,144	1,042	5	5	(114)	(48)	4,434	3,901
Long-term debt	10,798	10,087	21	-	-	-	-	-	-	-	10,819	10,087
Lease liabilities	842	892	3	3	6	7	-	-	3	3	854	905
Other	815	847	-	-	10	10	54	58	-	-	879	915
	15,666	14,706	212	25	1,160	1,059	59	63	(111)	(45)	16,986	15,808
Province's equity	5,585	5,318	116	64	661	582	10	3	155	94	6,527	6,061
	21,251	20,024	328	89	1,821	1,642	69	66	44	49	23,513	21,870
Statement of Cash Flows												
Operating activities	1,264	1,033	94	31	78	107	-	(17)	(10)	(8)	1,426	1,146
Investing activities												
Capital asset purchases[3]	(1,834)	(1,603)	(41)	(10)	(8)	(6)	-	-	-	-	(1,883)	(1,619)
Other	(1)	2	(26)	-	(55)	(105)	1	(1)	2	94	(79)	(10)
	(1,835)	(1,601)	(67)	(10)	(63)	(111)	1	(1)	2	94	(1,962)	(1,629)
Financing activities												
Debt proceeds	1,064	1,016	24	-	-	-	-	-	-	-	1,088	1,016
Debt repayments	(152)	(256)	-	-	-	-	-	-	-	-	(152)	(256)
Dividends paid	(78)	(119)	(89)	(13)	-	(5)	-	-	15	(6)	(152)	(143)
Equity (repaid) received	-	-	(4)	(12)	-	-	-	-	4	(82)	-	(94)
Change in notes payable and other	(87)	89	77	(1)	(2)	(2)	-	(4)	-	4	(12)	86
	747	730	8	(26)	(2)	(7)	-	(4)	19	(84)	772	609
Change in Cash and Cash Equivalents	176	162	35	(5)	13	(11)	1	(22)	11	2	236	126

[1] Other includes the operations of CIC (Separate) and consolidation adjustments.
[2] Capital assets include property, plant and equipment, investment property, and intangible assets.
[3] Capital asset purchases include property, plant and equipment, investment property, and intangible assets.

SaskPower
Powering our future®

SaskTel

CIC

SGI

SaskEnergy

CIC, SaskTel, SaskPower, SaskEnergy and SGI continued their support of STARS Saskatchewan with another $400,000 each in 2023-24 as part of a five-year commitment. The Crown sector has made significant contribution to ensuring critical care is available to rural and remote communities by committing $30 million to STARS since 2012.

STARS®

In 2023...

3,365
Helicopter Missions Flown Across the Prairies

36,390
Total Numbers of Emergency Requests Handled

99 Average Daily Number of Emergency Requests Handled

SaskPower
Powering our future®

Utilities

2023-24 Financial Results

SaskPower is committed to supporting economic growth and enhancing quality of life in Saskatchewan. At the foundation of SaskPower's business strategy is the pursuit of its vision of powering Saskatchewan to a cleaner energy future through innovation, performance, and service. SaskPower works around the clock to provide power generation, transmission, and distribution services to over 550,000 customer accounts. It prides itself on maintaining one of the largest service areas in Canada – a geographic region of approximately 652,000 square kilometres.

SaskPower reported a net income of $184.6 million in 2023-24, up $356.7 million from the prior year. Overall income has increased primarily as a result of higher Saskatchewan electricity sales, combined with decreased fuel and purchased power costs.

Revenue of $3,378.9 million (2022-23 - $3,066.5 million) increased mainly due to higher Saskatchewan electricity sales attributed to system average rate increases and higher demand. Electricity sales volumes to Saskatchewan customers were 24,279 gigawatt hours (GWh), up 461 GWh or 1.9 per cent compared to the prior year. This was due to increased activity in the oilfield customer class and major power customer sectors including pipeline, potash, and oil refineries.

Expenses of $3,194.3 million (2022-23 - $3,238.6 million) decreased mainly due to lower fuel and purchased power costs as a result of lower natural gas prices, partially offset by lower cost hydro generation being replaced by natural gas generation and higher generation volumes to meet increased demand. Capital-related expenses also decreased, primarily due to lower environmental provisions and a cash settlement related to a contractual dispute recognized in the prior year, partially offset by higher depreciation due to new capital additions, as well as higher interest on borrowings, corporate capital tax and grants-in-lieu. These decreases were offset by an increase in operating expenses attributable to an increase in full-time equivalent employees added to the company's workforce to support energy transition and distribution transformation initiatives.

Students from Hector Thiboutot Community School in Sandy Bay had the opportunity to explore several career possibilities at SaskPower during a visit to Saskatoon. The students toured the Queen Elizabeth Power Station.

Gross long-term debt, short-term debt, and finance leases of $9,407.6 million (March 31, 2023 - $8,761.7 million) increased due to higher borrowings to finance capital expenditures. SaskPower invested $1,125.0 million (2022-23 – $1,017.9 million) in various capital projects, including new generation assets, customer connects, and sustaining transmission and distribution infrastructure.

Key Financial Data	2023-24	2022-23	2021-22	2020-21	2019-20
Net earnings (losses)	**$ 184.6M**	$ (172.1M)	$ 10.7M	$ 160.2M	$ 205.8M
Dividend declared to CIC	**$ 18.5M**	$ -	$ 3.2M	$ 48.1M	$ 20.6M
Total assets	**$ 13,744.4M**	$ 12,878.0M	$ 12,228.9M	$ 12,133.5M	$ 12,203.0M
ROE	**6.7%**	(6.3%)	0.4%	5.8%	7.8%
Debt ratio	**74.4%**	74.7%	71.9%	71.4%	72.6%

2024-25 Outlook

SaskPower's earnings in 2024-25 are expected to remain consistent with 2023-24. Budgeted expenses are projected to be down slightly primarily due to lower fuel and purchased power costs as a result of funding received through the Clean Electricity Transition Grant. However, this decrease in fuel and purchased power costs is expected to be partially offset by an increase in capital-related expenses — depreciation, finance charges, taxes and other expenses, as well as higher operating expenses. Total revenues for 2024-25 are also expected to remain consistent with 2023-24. While other revenue and exports are expected to decrease due to lower customer contributions, carbon dioxide sales and reduced export opportunities; these decreases are expected to be offset by an increase in Saskatchewan electricity sales as a result of a 1.2 per cent projected increase in demand.

SaskPower plans to continue making significant investments in its generation, transmission, and distribution infrastructure, with anticipated capital expenditures of over $1.6 billion in 2024-25.

Key Enterprise Risks, Mitigations and Action Plans

SaskPower is challenged by regulatory requirements regarding emissions, changes to carbon tax pricing, engagement requirements on initiatives planned to meet the needs of the energy transition (renewables, microgrids, nuclear), the need for new electricity supply, financial constraints, economic disruptors, evolving technologies, growing capital requirements, and the speed at which stakeholder and customer expectations are changing.

The top three risks identified through the Enterprise Risk Management process include Energy Transition, Workforce Management, and Infrastructure & Reliability.

SaskPower is developing supply plan scenarios that would increase generating capacity from intermittent renewable sources such as wind and solar while also considering other clean generation options such as nuclear to reduce greenhouse gas emissions and maintain system reliability. SaskPower has developed enhancements to continue to improve system visibility and performance. SaskPower continues to develop and adapt recruitment and retention strategies to meet the changing environment and competition for skilled resources.

Supporting Sustainability

SaskPower is committed to a decarbonization path that includes a 50 per cent reduction in greenhouse gas (GHG) emissions from 2005 levels by 2030. This will see SaskPower reaching up to 50 per cent capacity from renewable generation by 2030, with a long-term target of a net-zero GHG electricity system by 2050 or sooner.

In 2023-24, SaskPower launched new competitive processes to select independent power producers that will result in 600 megawatts (MW) of new wind and solar power generation for south-central Saskatchewan. Meanwhile, the 200-MW Bekevar Wind Energy Facility is on track to be operational by the end of 2024. Near Estevan, 100-MW of solar generation is being constructed by Iyuhána Solar LP — a partnership between Greenwood Sustainable Infrastructure, Saturn Power and Ocean Man First Nation. It will be operational as early as 2026.

With nuclear small modular reactors (SMRs) offering significant promise in helping SaskPower achieve its long-term plans for a net-zero GHG emissions future, during the year SaskPower engaged with 3,000 citizens via 50 different in-person engagement opportunities, as well as more than 100 First Nations and Métis locals at Indigenous engagement sessions. When it comes to assessing the long-term viability of nuclear power as an emissions-free baseload option in Saskatchewan, SaskPower made important strides during the past year by establishing a nuclear development Division, as well as signing industry partnership agreements. Selection of the final site for SaskPower's first potential nuclear facility remains on track for 2025.

Key Operational Data	2023-24	2022-23	2021-22	2020-21	2019-20
Total customer accounts	**557,443**	553,849	549,940	545,179	540,727
Gross electricity supplied (gigawatt hours)	**26,575**	26,426	25,646	24,634	25,033
Available generating capacity (net megawatts)	**5,355**	5,437	5,246	4,987	4,893
Annual peak load (net megawatts)	**3,896**	3,800	3,910	3,722	3,722
Power lines (kilometres)	**159,698**	160,707	157,386	157,572	157,129
Full-time equivalents	**3,736**	3,624	3,525	3,432	3,602

2023-24 Financial Results

Natural gas plays a critical role in Saskatchewan's energy and economic systems, and demand for it continues to grow. Safe, reliable and convenient service continue to be the hallmark of SaskEnergy's natural gas delivery to the people, businesses and industries of Saskatchewan.

Weather is the most significant external factor affecting commodity margins and delivery revenue, as customers consume natural gas primarily as heating fuel. In Western Canada, the 2023-24 winter heating season was characterized by warm weather, low natural gas prices, and moderate market price volatility.

Income before unrealized market value adjustments was $54.5 million in 2023-24, $71.6 million unfavourable compared to $126.1 million in 2022-23. This is resulting from year-over-year decreases in opportunities to take advantage of unutilized transportation capacity to boost revenues, delivery revenues, and customer capital contributions, combined with higher employee benefit costs and higher operating and maintenance expenses.

During 2023-24, the average margin on realized asset optimization sales was $0.22 per GJ lower than the average margin through the same 12-month period in 2022-23. This resulted in a decrease of $17.1 million year-over-year as declining natural gas market prices and less volatility allowed for significantly fewer asset optimization opportunities for the Corporation in 2023-24. Delivery revenues were $9.2 million lower in 2023-24, as weather was 16 per cent warmer through the 12 months ending March 31, 2024, resulting in lower customer demand compared to the prior year.

Customer capital contributions decreased $29.0 million in 2023-24 as the fourth quarter of 2022-23 included recognition of revenue from a large customer capital project completion. Employee benefit costs increased $9.5 million in the current year as vacant positions were filled, and settlement of the organization's Collective Bargaining Agreement resulted in economic wage increases. Operating and maintenance expenses were $8.5 million higher than 2022-23, as the Corporation focused on the modernization of technology solutions and enhancing customer service offerings, combined with increasing leak survey, post-project environmental monitoring and cathodic protection costs.

Capital

SaskEnergy invested $119.0 million in system reliability and integrity initiatives in 2023-24. Investment also focused on two new transmission gas lines and meter station upgrades in the Melfort area in 2023-24. Gas line construction in west Regina continued, supporting residents, businesses and industries now and into the future. First Nations Elders and Indigenous Monitors were welcomed during the construction of both projects.

SaskEnergy achieved $5.6 million in cost savings through more efficient procurement practices, including negotiation and collaboration with other Crown Corporations and government agencies. SaskEnergy purchased $258.0 million in goods and services from Saskatchewan vendors, including $31.7 million of contracts awarded to businesses with Indigenous ownership or that provide Indigenous labour.

$119.0 million invested in system reliability and integrity initiatives in 2023-24.

Key Financial Data	2023-24	2022-23	2021-22	2020-21	2019-20
Net earnings	**$ 21.1M**	$ 59.4M	$ 158.3M	$ 80.8M	$ 43.5M
Operating earnings	**$ 54.5M**	$ 126.1M	$ 82.4M	$ 58.5M	$ 66.1M
Dividend declared to CIC	**$ 20.6M**	$ 44.7M	$ 21.5M	$ 20.6M	$ 23.1M
Total assets	**$ 3,633.9M**	$ 3,579.5M	$ 3,516.7M	$ 3,294.3M	$ 3,221.7M
Operating ROE	**4.4%**	10.2%	5.4%	5.2%	6.1%
Debt ratio	**59.2%**	58.9%	58.5%	58.3%	57.7%

2024-25 Outlook

In 2024-25, SaskEnergy's strategic imperatives include balancing affordability with environmental responsibility. The need for safe, reliable and affordable energy remains paramount for the people, businesses and industries of Saskatchewan to thrive. SaskEnergy anticipates modest growth from industrial customers to continue in 2024-25, with additions from gas-fired power generation leading the way. While the number of residential customers connected to SaskEnergy's distribution system is expected to continue increasing, total revenue growth from this customer segment is expected to remain stable due to energy efficiency improvements. Even with expected customer growth, SaskEnergy is forecasting lower earnings in 2024-25 due to higher operating costs and lower asset optimization margins. Throughout 2024-25, SaskEnergy will increase its capital investment in the province, with key areas of focus including: maintaining the safety and reliability of the natural gas transmission and distribution systems; enhancing customer experience; and continuing to support the strategy of reducing emissions from operations by 35 per cent by 2030, as compared to baseline emissions from 2019.

Key Enterprise Risks, Mitigations and Action Plans

A key risk for SaskEnergy is the possibility that governments impose new environmental or operational regulations that restrict operations or prevent further development of SaskEnergy's gas system. Further regulations are likely and may create additional compliance requirements or other impacts on the organization. SaskEnergy is committed to collaborating with municipalities on the future role of natural gas in Saskatchewan.

The possibility of a cyberattack against the Corporation's operating or information technology systems adds to the risk of a loss or misuse of critical data and information. Programs and processes preventing unauthorized access and monitoring for attacks will continue, increasing the ability to successfully mitigate external threats.

With labour markets continuing to tighten, SaskEnergy's ability to attract and retain skilled resources to complete required work today and into the future is a risk. SaskEnergy strives to deliver attractive employment by providing challenging learning and training opportunities to encourage employee growth and development. For a second consecutive year, SaskEnergy was recognized as one of Canada's Top 100 Employers.

Bertha Martell has worked in SaskEnergy's Meter Shop since 2008.

Supporting Sustainability

The Corporation's sustainability framework focuses on environmental responsibility, community investment, and workforce diversity. In 2023-24, SaskEnergy reduced greenhouse gas emissions (GHG) from operations by 8,000 tonnes carbon dioxide equivalent (CO_2e); natural gas conservation programs assisted customers in reducing their GHG emissions by nearly 19,200 tonnes CO_2e. SaskEnergy continues to identify opportunities in areas such as emissions, climate change, diversity, and Indigenous reconciliation.

CIC CONSOLIDATED

Key Operational Data	2023-24	2022-23	2021-22	2020-21	2019-20
Total distribution customers	**411,077**	408,498	405,672	402,827	399,826
Residential average usage (m^3)	**2,565**	2,641	2,677	2,694	2,631
Distribution gas lines (km)	**72,232**	71,936	71,581	71,305	70,996
Transmission gas lines (km)	**15,338**	15,336	15,317	15,209	15,169
Compressor horsepower (HP)	**84,828**	87,878	87,828	95,308	95,308
Peak day gas flows (Petajoules)	**1.70**	1.63	1.65	1.59	1.55
Full-time equivalents	**1,148**	1,104	1,103	1,082	1,056

2023-24 Financial Results

SaskTel's vision is to be the best at connecting people to their world. Its mission is to provide an exceptional customer experience. As a provider of critical communications infrastructure and services in Saskatchewan, its customers are at the center of everything SaskTel does.

Net earnings were $95.4 million in 2023-24, down $8.7 million from 2022-23. Total operating revenue was $1,351.4 million, up $21.3 million or 1.6 per cent from 2022-23, reflecting growth in key business segments including wireless network services and equipment, fixed broadband and data services, and customer premise equipment sales. Growth in wireless network services and equipment revenue reflected a growing subscriber base and higher average rate per device sold. The growth in fixed broadband and data is a result of higher average revenue per user as customers opt for higher internet speeds and more services delivered over SaskTel's fibre network. Customer premise equipment sales growth was a result of higher demand for business grade equipment. This growth is partially offset by declines in legacy wireline communication services and other services revenue.

Total 2023-24 operating expenses were $1,214.5 million (2022-23 - $1,194.7 million), up $19.8 million from 2022-23. This was primarily due to increased costs of goods sold to support revenue growth in the areas of business grade equipment sales, premium wireless devices and television video content. Costs also increased due to increased software licensing and maintenance, salaries, wages and benefits, and/or other inflationary pressures. These were partially offset by decreased depreciation and amortization largely due to an extension to wireless network asset useful lives. Net financing expense in 2023-24 was $39.0 million (2022-23 - $29.5 million), up $9.5 million from 2022-23. This was mainly due to increased interest on long term debt due to higher borrowing and a higher average interest rate on short-term borrowing due to increased Bank of Canada (BoC) target overnight rates.

Capital investment for the 2023-24 fiscal year was $368.5 million (2022-23 - $354.3 million), up $14.2 million from 2022-23. The increase in spending enabled SaskTel to connect more Saskatchewan families, businesses, and communities to the fibre network, and expand the reach of 5G wireless network. This investment will enhance the reliability and resiliency of SaskTel's networks and provide advanced broadband and wireless technologies that are critical to build a more prosperous future for the province. This will ensure that Saskatchewan is well-positioned to continue to compete and succeed in the emerging smart economy.

Debt increased in 2023-24 to $1,794.4 million (2022-23 - $1,632.6 million). The overall level of debt increased to support SaskTel's capital program. The debt ratio of 56.0 per cent increased from the prior year (54.5 per cent in 2022-23) as a result of the increase in debt and equity. Equity increased due to net income retained, offset by dividends declared of $38.2 million.

SaskTel's Be Kind Online program encourages youth in schools to spread kindness.

Key Financial Data	2023-24	2022-23	2021-22	2020-21	2019-20
Net earnings	**$ 95.4M**	$ 104.1M	$ 104.4M	$ 130.8M	$ 119.8M
Operating revenue	**$ 1,351.4M**	$ 1,330.1M	$ 1,300.9M	$ 1,317.7M	$ 1,283.7M
Dividend declared to CIC	**$ 38.2M**	$ 41.6M	$ 94.0M	$ 117.7M	$ 107.8M
Total assets	**$ 3,418.9M**	$ 3,184.6M	$ 3,083.5M	$ 2,856.5M	$ 2,807.3M
ROE	**7.5%**	8.5%	8.8%	11.0%	10.2%
Debt ratio	**56.0%**	54.5%	54.6%	50.4%	47.8%

2024-25 Outlook

SaskTel is forecasting net earnings of $96.0 million in 2024-25. SaskTel is experiencing changes in customer demands, rapidly evolving technology, increasing competition, and regulatory instability that are contributing to pressures on its revenue, costs, and profit margins. Significant investment in network technologies and infrastructure, systems, processes, and workforce skills are planned that will ensure SaskTel is well-positioned for these challenges.

Key Enterprise Risks, Mitigations and Action Plans

With the movement toward digitalization, automation, software-based products, and massive numbers of connected devices, cybersecurity will continue to be a threat and will require mitigation. SaskTel regularly assesses its environment and implements extensive controls and measures to protect information and mitigate against service disruption. An evolving multi-year roadmap and program is in place to increase maturity and address any vulnerabilities.

SaskTel's networks and systems are core to delivering services and conducting business. If any of them became unavailable for an extended period, it could cause significant customer impacts. Networks and systems are designed and built to be highly available. Regular updates and maintenance, replacement of legacy technology and systems, alarming of key components, redundancy of network and system hardware, and change control processes help reduce the occurrence, duration, and severity of outages. Disaster recovery initiatives will continue to be implemented to protect existing and new systems.

SaskTel operates in a very competitive market and faces several challenges to increase revenue and profit margins. Contributing factors include non-traditional and large multi-national competitors, industry consolidation, disruptive technology, adoption of over-the-top alternate technologies, declining legacy services, and SaskTel's own complex operating environment. SaskTel manages this risk by focusing on providing an exceptional customer experience, expanding and evolving its broadband network (e.g., fibre and 5G), evolving its products and services, expanding markets, working with partners, and simplifying and automating the operating environment to respond quickly to market changes and maximize efficiencies.

Sustainability Support Initiatives

In times of need, SaskTel recognizes that it's important to support communities, and those most impacted by events unfolding at home and afar. SaskTel waived data overage charges to support those residing in northern communities impacted by wildfires, as well as text message fees and long-distance charges for SaskTel wireless, landline, and business calls made from Canada to Israel to ensure customers can connect with family and friends impacted by the situation.

With a clear view to the future, SaskTel invested $368.5 million in 2023-24 to strengthen and develop its networks and operations in Saskatchewan. SaskTel's 5G network, the next generation of wireless technology, is now available to 82 per cent of Saskatchewan residents. In 2023-24, SaskTel enabled 280 new wireless sites, providing coverage to Regina, Saskatoon and 125 other locations in the province. SaskTel continued to expand its fibre optic network, with fibre now being available in 45 communities, potentially expanding to a total of 473 communities.

In 2023-24, SaskTel contributed $3.0 million to 1,018 non-profit and charitable organizations, community associations, venues, events, and partnerships in 237 communities throughout the province. In addition, SaskTel TelCare donated $0.2 million to 42 charitable and non-profit organizations across Saskatchewan.

Consistently ranked as one of Canada's greenest employers, SaskTel is proud to have an industry-leading environmental management program aligned to the ISO 14001 standard; however, SaskTel understands that it must also look beyond the walls of its organization to see how it can promote sustainable resource management.

Key Operational Data	2023-24	2022-23	2021-22	2020-21	2019-20
Wireless accesses	**666,046**	654,674	647,765	639,707	624,679
Wireline accesses	**242,221**	257,396	273,856	289,934	308,719
Internet and data	**292,366**	294,928	293,221	289,188	276,460
maxTV subscribers	**111,166**	111,200	110,192	114,120	111,382
Security monitoring subscribers	**72,142**	77,665	78,707	81,554	85,948
Full-time equivalents	**3,256**	3,274	3,333	3,422	3,415

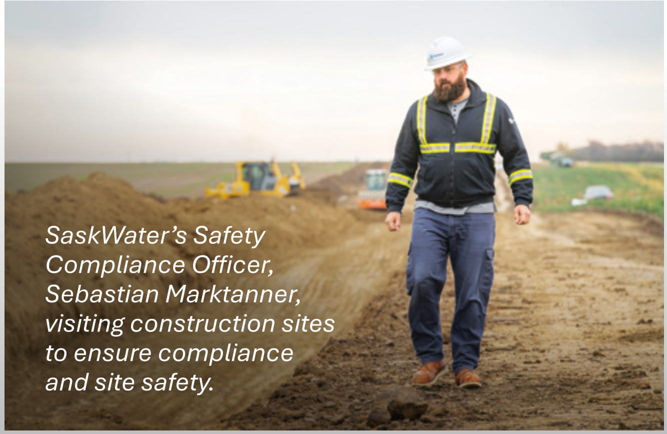
SaskWater

2023-24 Financial Results

SaskWater provides safe, reliable, and sustainable water services for Saskatchewan. Major objectives include customer focus, growth, operational excellence and innovation, leadership and culture, and corporate reputation.

Earnings for 2023-24 were $8.7 million compared to $8.6 million in the previous year. 2023-24 saw increases in both revenue and expenses, resulting in a similar level of earnings. Salary costs increased due to negotiated wage increases and in-range movement. Capital improvements and new customer facilities resulted in increased depreciation costs. Operations, maintenance and administration costs increased, reflecting the cost of earning additional revenue and inflationary pressures.

SaskWater spent $87.0 million on various capital projects (2022-23 - $24.8 million). Capital investment was higher in 2023-24, as significant progress was made on the Regina Regional Non-potable project, which was just getting underway in the prior year. This project accounts for $80.3 million of the total amount invested, and SaskWater received $60.0 million of grant funding in support of it.



SaskWater's Safety Compliance Officer, Sebastian Marktanner, visiting construction sites to ensure compliance and site safety.

2024-25 Outlook

Key areas of focus in SaskWater's strategic plan are customers, innovation, and safety. In the coming year, SaskWater will continue to increase regular formal contact with customers to ensure open communication and joint planning for future needs. SaskWater will also be modernizing and enhancing its asset management system. The delivery of safe, reliable and sustainable water services is consistently ranked by customers as their top priorities so SaskWater will continue to invest in the systems and people to meet those needs.

SaskWater's remote monitoring system operates around the clock to minimize potential water losses due to leaks or breakages.

Earnings are expected to be $7.3 million in 2024-25, generating a return on equity of 8.7 per cent. SaskWater's capital expenditures for the coming year are budgeted at $38.4 million as SaskWater delivers on its growth plan and reinvests in existing systems. SaskWater's debt to debt and equity ratio is budgeted to be 59.2 per cent.

Key Enterprise Risks, Mitigations and Action Plans

The majority of SaskWater's revenues are from resource-based industrial customers and are susceptible to fluctuations within the resource sector. This is a challenge as many of SaskWater's industrial customers are served through volumetric-based rates. Mitigation strategies include minimum purchase requirements,

Key Financial Data	2023-24	2022-23	2021-22	2020-21	2019-20
Net earnings	**$ 8.7M**	$ 8.6M	$ 8.7M	$ 7.4M	$ 8.4M
Total assets	**$ 454.4M**	$ 382.1M	$ 370.6M	$ 375.2M	$ 372.0M
Dividends declared to CIC	**$ 4.4M**	$ 7.8M	$ 6.5M	$ 6.3M	$ 4.2M
ROE	**10.7%**	11.0%	11.2%	10.9%	11.3%
Debt ratio	**53.3%**	50.4%	49.0%	49.2%	50.0%

efficiency programs, and cost of service rates. SaskWater is continuing to pursue growth opportunities to diversify its business.

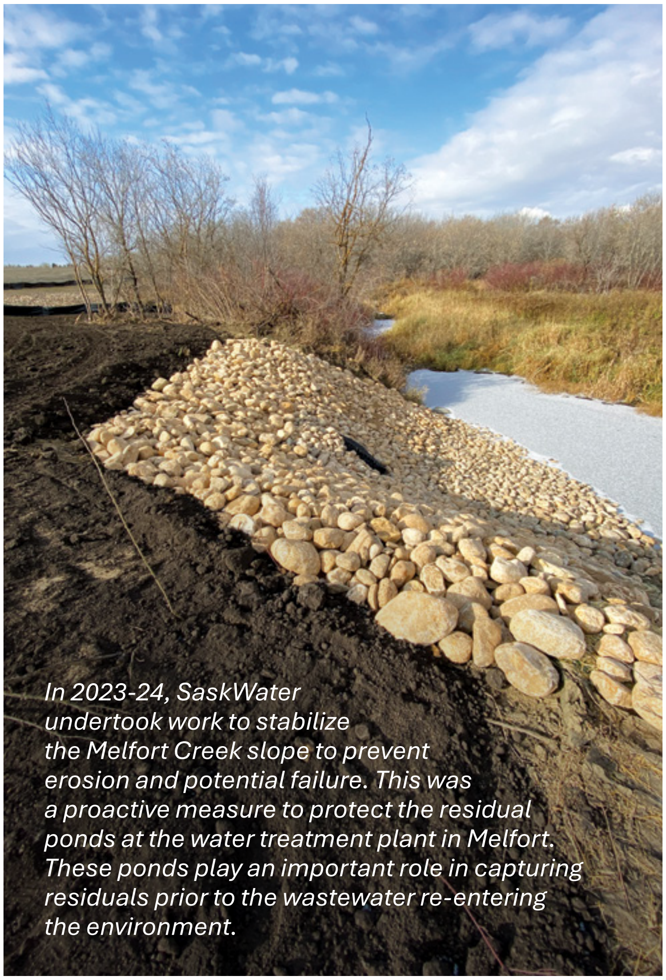
Having a positive relationship with SaskWater's employees is critical to the success of the organization. Organizational changes may have the potential for negative impacts on this relationship. Mitigation strategies include a competitive remuneration package, a commitment to a safe work environment, a robust employee performance management system, communicating changes in a timely manner, monitoring engagement through surveys, and implementing initiatives to support an engaged workforce.

Cyber security is at the forefront in protecting the corporation from external IT threats. SaskWater relies on complex systems for its services. Threats to these systems can come from a variety of internal and external sources such as negligent activities, system failures or malicious attacks. These threats could lead to a loss or unauthorized disclosure of sensitive information, extortion, or disrupt operations. To mitigate this risk, SaskWater has established a disaster recovery system and provided employee training to recognize external threats, established cyber security with a third-party provider, implemented governance controls, and carried out a cyber security review of all systems and controls.

Supporting Sustainability

SaskWater is very conscious of the environment and recognizes that water is a critical resource, so SaskWater minimizes potential water losses by keeping a close eye on the remote monitoring system, which operates around-the-clock, watching for any pressure losses that could indicate leaks or breakages. Facilities are closely monitored to ensure optimization of processes and minimize wastewater in the production of potable water. SaskWater's overall water loss represented 1.6 per cent of the total volumes produced in 2023-24, which is an excellent result.

Power is an essential resource in the provision of water services to customers. SaskWater has set an emissions intensity target for 2030, pledging to reduce greenhouse gas (GHG) emissions by 50 per cent from 2005 levels.



In 2023-24, SaskWater undertook work to stabilize the Melfort Creek slope to prevent erosion and potential failure. This was a proactive measure to protect the residual ponds at the water treatment plant in Melfort. These ponds play an important role in capturing residuals prior to the wastewater re-entering the environment.

SaskWater's Greenhouse Gas (GHG) Committee meets regularly to review potential initiatives to reduce GHG emissions. The committee has implemented several initiatives, including installing solar panels to increase the use of renewable energy and reduce GHG emissions, replacing inefficient lighting with more efficient LED lighting, implementing a pump optimization program to lower power consumption by reducing average operating pressures in water supply lines, and implementing remote access to facilities for diagnostic and troubleshooting purposes. The GHG Committee also explores the ability to obtain federal and provincial grant funding to assist in the delivery of these initiatives.

Key Operational Data	2023-24	2022-23	2021-22	2020-21	2019-20
Total customer accounts	**441**	426	424	415	415
Total sales volumes (cubic metres)	**47.8M**	46.1M	49.2M	44.2M	45.6M
Kilometres of potable and non-potable pipeline	**1,055**	994	941	942	942
Full-time equivalents	**128**	133	133	132	129

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Insurance

2023-24 Financial Results

SGI CANADA achieved a consolidated net income of $78.1 million (2022-23 - $34.3 million) and a return on equity of 12.6 per cent. The financial results were primarily driven by $95.3 million strong underwriting results in Saskatchewan and investment earnings of $114.8 million, due to strong equity returns. This is partially offset by higher administrative expenses of $115.5 million due to growing operations and the ongoing cost of the Corporate Transformation Program of becoming a digital insurer.

SGI CANADA continues to experience strong customer growth as well as premium pricing across all jurisdictions (British Columbia, Alberta, Saskatchewan Manitoba and Ontario), with gross premiums written increasing $103.2 million or 8.1 per cent from 2022-23.

Members of the media recorded audio clips of an excessive vehicle noise test.

The consolidated loss ratio measures the incurred losses as well as expenses in relation to the total collected premiums, improved from 61.9 per cent last year to 61.1 per cent this year. The major driver of this decrease was a milder summer storm season across Alberta, Saskatchewan and Manitoba that saw consolidated catastrophe claims decrease from $80.8 million last year to $53.6 million this year.

SGI CANADA's consolidated Minimum Capital Test[1] of 225 per cent (2023 - 233 per cent) was above the internal target of 213 per cent and below the long-term goal of 242 per cent.

2024-25 Outlook

The Canadian property and casualty (P&C) industry is highly competitive and continues to experience rapid change driven by technology and other innovations. Technology is leading the way for new and innovative production channels, mobile services and data-driven processes that can better assess and respond to continuously changing customer expectations. SGI CANADA is continuing to transform the company, with the goal of becoming a digital insurer.

SGI CANADA has begun a strategic transition from legacy technology solutions to modern, scalable platforms to manage all core insurance functions. These modern systems will enhance the services provided to valued customers (Corporate Transformation Program). To go along with the Corporate Transformation activities, SGI CANADA recognizes the need to continue to grow and aims to achieve this growth through great customer experiences, in partnership with brokers. Its goal is to

Key Financial Data	2023-24	2022-23 (Restated)*	2021-22	2020-21	2019-20
Net earnings	**$ 78.1M**	$ 34.3M	$ 81.8M	$ 172.1M	$ 49.9M
Dividend declared to CIC	**$ -**	$ -	$ 57.5M	$ 87.0M	$ 54.2M
Total assets	**$ 1,820.5M**	$ 1,641.6M	$ 1,982.9M	$ 1,845.1M	$ 1,664.6M
ROE	**12.6%**	6.1%	15.8%	37.2%	11.8%
Minimum Capital Test[1]	**225%**	233%	242%	242%	242%

*Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations.

[1] The Minimum Capital Test (MCT) is a capital adequacy test widely used in the insurance industry and indicates capital available to pay claims compared to capital required.

achieve $1.5 billion in gross premium written by the end of the 2024-25 year while continuing Corporate Transformation activities. This growth is expected across all current provinces and lines of business in which SGI CANADA operates.

Overall, SGI CANADA is budgeting a net income of $97.3 million in 2024-25, an improvement over the 2023-24 net income of $78.1 million. The 2024-25 financial result is expected to be consistent with long term expected net income as the funding requirements of the Corporate Transformation program wind down, and administrative expenses return to past levels.

Key Enterprise Risks, Mitigations and Action Plans

On an annual basis, management reviews the key risks faced by SGI CANADA by identifying specific risk events and their potential impact on its operations, finances and reputation. The risks that represent the most serious threats to SGI CANADA are Corporate Transformation, acquisition and development of expertise, organizational change agility, information security, system availability and recovery, culture, competition and catastrophic claims costs.

Becoming a digital insurer is at the forefront of SGI's risk management strategy. SGI is using technology and data to improve its business processes, customer experience and partner relations. SGI has committed significant resources to this transformation and has established a comprehensive framework to support internal and partner change. This initiative will help attract new customers and retain its profitable market share by focusing on meeting the elevated expectations of customers for how, when and where they want to do business.

Being a digital insurer also requires significant information security as well as means to ensure the digital systems are reliable, available and recoverable. Cyber security risk reduction is emerging through improved identity and access management including implementation of role-based access security models, improved data protection measures and strengthened cyber security monitoring controls. Business continuity management and disaster recovery processes have been modernized with a continuous improvement program which has served to improve preparedness in the event of a system failure.

Protection against significant catastrophe claim costs is very important for SGI. SGI uses independent catastrophe modeling, including scenario tests that overlay hypothetical events on high-exposure concentrations to help determine the level of reinsurance it requires. To mitigate the risk of reinsurer failure, SGI and its reinsurance broker monitor reinsurer solvency through independent assessment as well as through ratings provided by AM Best and Standard & Poor's.

Supporting Sustainability

SGI CANADA is proud to help build sustainable and secure futures through its strategic programs and partnerships.

In 2023-24, SGI CANADA added climate resiliency planning to its corporate strategy, and helped over 180 claims customers build their homes stronger through a sewer backwater valve rebate program to prevent future losses.

SGI CANADA also invested almost $565,000 in over 239 sponsorships focused on safety, security and cultural diversity. This included the continued multi-year sponsorship of The Nature Force and support for initiatives like the First Nations University of Canada Powwow, University of Regina's Inspiring Leadership Forum, Saskatchewan Science Centre's Women Breaking Barriers event, Street Culture Kidz Project's Youth Shelter, Saskatoon Tribal Council Rock your Roots: Walk for Reconciliation, and many other organizations and events that empower and secure communities.

Key Operational Data	2023-24	2022-23	2021-22	2020-21	2019-20
Direct premiums written	**$ 1,363.4M**	$ 1,260.1M	$ 1,144.9M	$ 1,068.8M	$ 1,000.4M
Number of policies in force	**997,019**	992,872	942,946	933,216	891,973
Number of claims	**110,547**	111,480	105,156	97,518	109,387
Full-time equivalents	**2,590**	2,321	2,180	2,040	2,045

Insurance

The Auto Fund is not a subsidiary Crown corporation. Its results are included in this report because of SGI CANADA's administration of the Auto Fund. The results of the Auto Fund are not included in CIC's or SGI CANADA's consolidated financial statements.

Adoption of New Accounting Standards

The Auto Fund adopted IFRS 17 – *Insurance contracts* (IFRS 17) and IFRS 9 – *Financial instruments* (IFRS 9) on April 1, 2023, replacing IFRS 4 – *Insurance contracts* (IFRS 4) and IAS 39 – *Financial instruments*: recognition and Measurement (IAS 39). IFRS 17 and IFRS 9 have been applied retrospectively as of April 1, 2022, as a result, 2022-23 comparative information has been restated.

The Auto Fund provides some of the lowest auto insurance rates in Canada.

2023-24 Financial Results

The Auto Fund had a decrease in the Rate Stabilization Reserve (RSR) of $70.3 million.

The year's insurance service result of negative $71.6 million was better than last year's negative $161.0 million. The variance was primarily caused by a mild summer storm season this year compared to last. Catastrophic claims were $58.0 million lower than last year.

The Auto Fund generated investment earnings of $183.5 million during the year, $108.1 million better than last year. The positive variance is primarily related to strong equity returns during the year.

The $70.3 million decrease reduced the RSR to $924.9 million at March 31, 2024.

2024-25 Outlook

The Auto Fund continues to consistently provide among the lowest auto insurance rates in Canada as well as traffic safety leadership. The focus of the Auto Fund for 2024-25 is to continue moving along the transformation journey to become a digital insurer.

Craig Slater, Communications Officer, interviewed students at Greenall High School about impaired and distracted driving. The interviews were featured on SGI's social media channels.

Key Financial Data	2023-24	2022-23 (Restated)*	2021-22	2020-21	2019-20
Net (loss) earnings	$ (70.3M)	$ (134.1M)	$ (38.9M)	$ 283.4M	$ (46.7M)
Total assets	$ 3,274.0M	$ 3,262.7M	$ 3,689.1M	$ 3,713.0M	$ 3,056.7M
Minimum Capital Test[1]	149%	135%	176%	179%	156%
Rate Stabilization Reserve	$ 924.9M	$ 995.2M	$ 1,051.3M	$ 1,090.1M	$ 806.7M

*Restated for the adoption of IFRS 17 – *Insurance contracts*.

[1] The Minimum Capital Test (MCT) is a capital adequacy test widely used in the insurance industry and indicates capital available to pay claims claims compared to capital required. The score provided above is the 12-month rolling average score at March 31 of each fiscal year. The Auto Fund long-term target MCT is 125.0 per cent.

(right to left) Jennifer Hood, Manager of Brand and Advertising, Lane Bacon, Marketing Coordinator and Roberta Weisbrot, Brand Business Consultant were behind the scenes on the set of SGI's latest "Find A Safe Ride" campaign.

Key Enterprise Risks, Mitigations and Action Plans

The risks that represent the most serious threats to the Auto Fund are Corporate Transformation, acquisition and development of expertise, organizational change agility, information security, system availability and recovery, culture, catastrophic claim loss, and market value changes. Failure to manage any of these risks could lead to significant operational, financial or reputational damage. These risks represent key areas in SGI and the Auto Fund's strategic plan, and they have prioritized resources toward key business processes and corporate projects which will mitigate these risks. For more information on these risks and their mitigations, please see the SGI CANADA Key Enterprise Risks, Mitigations and Action Plans Section.

Supporting Sustainability

SGI is committed to helping create a cleaner and healthier environment by promoting environmental sustainability in the workplace and beyond.

In 2023-24, the company put new energy into its commitment by hiring an environmental sustainability specialist. This new position is evaluating SGI's current sustainability efforts, water and energy efficiency, and creating a framework for how improvements can be made.

SGI's Salvage department continues to provide national leadership in automobile recycling and its work to minimize pollution. In the past year SGI Salvage has improved its online auction and information to reach new customers and better support existing users. This has attracted more buyers, including national and global customers. Salvage has also been capturing raw materials that can be used in electric vehicles, solar panels, batteries, and wind generators.

SGI supported more environmentally aware transportation options in 2023-24, including the use of golf carts and e-scooters in municipalities or communities that chose to allow them. The company also tackled noise pollution by introducing new rules around excessive vehicle noise.

Sustainability also applies to the people and communities SGI serves – through traffic safety awareness to prevent injuries and deaths from collisions, support for diversity and inclusion to value the differences, and through its promise to bring the Truth and Reconciliation Commission of Canada's Calls to Action into the decisions and practices.

SGI continues to encourage employee participation in truth and reconciliation, while increasing support for traffic safety initiatives in Indigenous communities and engaging Knowledge Keepers to help guide the work. This includes sponsorships supporting community partners like the Kâniyâsihk Culture Camps that provide impactful Indigenous-based cultural learning, Indigenous and water-related nature activities through the Notice Nature Program, and Mosaic: A Festival of Cultures spotlighting diverse ethnicities and cultures from across Saskatchewan.

To help create safer communities for all road users, the Provincial Traffic Safety Fund Grant awards money to local traffic safety initiatives around the province. In 2023-24, more than $2.8 million was invested in projects in 161 communities. Some examples include walking paths, solar radar speed signs in school zones, and bilingual Indigenous stop signs.

Key Operational Data	2023-24	2022-23	2021-22	2020-21	2019-20
Direct premiums written	$ 1,077.9M	$ 1,036.32M	$ 1,007.3M	$ 988.6M	$ 962.7M
Number of licensed drivers	856,000	847,000	834,000	825,000	816,000
Number of claims	130,721	132,160	121,465	104,495	119,677
Number of injuries per 100,000 population[1]	413.9[2]	382.5	388.6	301.4	358.7
Number of fatalities per 100,000 population[1]	7.9	8.5	7.4	7.4	6.0

[1] The number of injuries and fatalities are based on a calendar year.

[2] Injury data for 2023 is preliminary and may change as collision data continues to be reported.

LGS Entertainment

2023-24 Financial Results

As of April 1, 2023, Lotteries and Gaming Saskatchewan (LGS) consolidates the management oversight for casinos, video lottery terminals (VLTs), lotteries, and online gaming. LGS provides an entertaining and socially responsible gaming sector that benefits Saskatchewan. Its strategic objectives focus on taking a cohesive, industry-wide perspective to provincial gaming policy, management, and responsible growth while retaining the focus on customer service, health, and entertainment value.

In its first year of operations, LGS net earnings were $191.1 million. This is after payments to the General Revenue Fund (GRF) of $114.0 million to meet its legislative requirements under the Lotteries and Gaming Saskatchewan Corporation Act and Gaming Framework Agreement. These payments are dependent on income from SaskGaming and SIGA casinos as well as online gaming.

Net earnings before payments to the GRF consist of land-based casino and slot machines, VLTs, online gaming, and lotteries. VLT, land-based casino and slot machine earnings continue to grow and can be attributed to strong provincial economic conditions and higher spend per guest. Online gaming has improved since its inception in November 2022, but it continues to compete against illegal operators that are well established in the online gaming space.

As at March 31, 2024, LGS has consolidated debt of $102.1 million. During 2023-24, LGS borrowed $78.1 million to fund the transfer of SLGA Holding Inc. In addition, as part of the transition of operations to LGS, Saskatchewan Liquor and Gaming Authority (SLGA) transferred a long-term payable from the Saskatchewan Indian Gaming Authority (SIGA) to LGS. In exchange for the long-term payable, LGS has a long-term payable to SLGA to repay the amount that was transferred.

LGS continues to focus on capital reinvestment, with the goal of improving the guest experience and increasing revenue. This included the substantial completion of property renovations at Casino Moose Jaw and investment in slot machines at SIGA and SaskGaming as well as VLTs. LGS invested a total of $41.9 million in 2023-24.

Chief Bobby Cameron of the FSIN and the Honourable Laura Ross, Minister Responsible for LGS, signed the latest amendment to the Gaming Framework Agreement on June 15, 2023.

Outlook

Legal gaming is a mature entertainment industry and a major contributor to Canada and Saskatchewan. At the national level, the industry rebounded from the pandemic and reached a new high of $19.3 billion revenue (gaming win[1]) in 2023. Gaming industry growth between 2019 and 2023 has mainly been driven by the expansion of online gaming, along with increased availability of products and enhancements (e.g., single event sports betting) offered on this channel.

Key Financial Data	2023-24	2022-23	2021-22	2020-21	2019-20
Net earnings (loss)	**$ 195.3M**	$ 21.3M	$ 9.5M	$ (13.4M)	$ 20.1M
Dividends declared to CIC	**$ 139.1M**	$ 17.0M	$ -	$ -	$ 13.3M
Total assets	**$ 328.5M**	$ 88.8M	$ 91.9M	$ 70.1M	$ 84.1M
Debt ratio	**46.7%**	5.1%	5.3%	15.9%	14.3%

Note: 2019-20 to 2022-23 includes only results from SGC prior to LGS start-up. 2023-24 includes the first two months of results from SGC which includes earnings of $4.2 million and dividend of $3.3 million. As of June 1, 2023, SGC's financial results have been consolidated with LGS.

[1] Revenue is portrayed as "gaming win" and equals wagering less prizes and direct consumer marketing expenditures. It is the amount used to calculate operator commissions and government tax rates (HLT Advisory Inc., Saskatchewan Gaming Market Model Assessment Report, January 2024).

Saskatchewan's gaming market is extensive and mature, and consists of multiple products and delivery channels, including:

- Land-based casinos that offer slot machines, table games and ancillary services;
- PlayNow online gaming that offers slots play, poker, sports betting, and keno;
- VLTs at licensed taverns and restaurants that offer reel and keno games; and
- Lottery, scratch-and-win, and sports betting tickets sold by retailers.

Since 2009, Saskatchewan has had the highest annual total gaming revenue per adult in Canada primarily from VLT and casino play. PlayNow.com, Saskatchewan's only legal online gaming platform, launched November 3, 2022. PlayNow.com faces stiff competition from thousands of well-established online sites that operate illegally. Currently, PlayNow.com is estimated to have 10 to 15 per cent of Saskatchewan's online market. Increasing PlayNow.com's market share in Saskatchewan in the coming years would have positive revenue implications.

Key Enterprise Risks, Mitigations and Action Plans

In its first year, LGS established a formal Enterprise Risk Management (ERM) framework to identify, assess, manage, and communicate emerging and existing risks that may affect achievement of the organization's strategic goals. This included development of a risk registry that identified key risks. These risks were considered in the development of LGS's 2024-25 Performance Management Plan, including the identification of strategic actions to mitigate.

Operator performance, transformation, policy change, cybersecurity, problem gambling, compliance and fraud, and talent management were deemed top corporate-wide risks. Managing these risks is significant to LGS's success. These risks represent key areas in LGS's strategic plan, and LGS has prioritized resources toward key business processes and corporate projects which will mitigate these risks.

To mitigate key enterprise risks, LGS will foster effective relationships and add value to partners, finalize the SIGA casino operating agreement and develop policies to manage performance. To manage the transformation, LGS will increase the profile of gaming's social and economic benefits, work with SLGA to clearly delineate roles and responsibilities of the regulator and LGS, as well as actively participate and contribute to Crown Collaboration efforts. LGS will also implement a complete Human Resources Plan and conduct a staff engagement survey for talent management.

Economic and Social Support Initiatives

In 2023-24, LGS paid a dividend of $135.8 million to its shareholder, Crown Investments Corporation of Saskatchewan. Much of this dividend flows through to the province's General Revenue Fund (GRF) to help support government priorities such as infrastructure, health care, and education. In 2023-24, LGS also paid $114.0 million directly to the GRF. These direct GRF payments help support the province's Community Initiatives Fund, the First Nations Trust, the Clarence Campeau Development Fund, and Community Development Corporations across Saskatchewan.

In 2023-24, LGS also paid $37.2 million in commissions to VLT site contractors and provided $5.9 million in Charitable Gaming Grants to more than 3,000 charitable groups and organizations in more than 300 communities across Saskatchewan. The Charitable Gaming Grants supported everything from youth and amateur sport to community arts and culture, local service clubs, seniors' centres, hospital foundations, school and library programs, volunteer fire departments, animal rescue and wildlife preservation efforts, and more. In total, the gaming sector contributed more than $247.0 million to Saskatchewan communities in 2023-24.

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Key Operational Data	2023-24	2022-23	2021-22	2020-21	2019-20
Guest satisfaction at SaskGaming	**77.0%**	76.0%	78.0%	-[1]	72.6%
Full-time equivalents	**530**	495	377[2]	254[2]	567

Note: 2019-20 to 2022-23 includes only results from SGC prior to LGS start-up

[1] In 2020-21, the Guest Satisfaction Surveys could not be conducted due to public health orders associated with the COVID-19 pandemic.

[2] The decrease in full-time equivalents is due to temporary employee layoffs during the COVID-19 pandemic casino closures.

Responsibility for Financial Statements

The accompanying consolidated financial statements have been prepared by management of Crown Investments Corporation of Saskatchewan (CIC). They have been prepared in accordance with IFRS Accounting Standards, consistently applied, using management's best estimates and judgements where appropriate. Management is responsible for the reliability and integrity of the consolidated financial statements and other information contained in this annual report.

CIC's Board of Directors is responsible for overseeing the business affairs of the Corporation and also has the responsibility for the approval of the consolidated financial statements. The Board of Directors is responsible for reviewing the annual consolidated financial statements and meeting with management, the corporation's external auditors KPMG LLP, and the Provincial Auditor of Saskatchewan on matters relating to the financial process.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the consolidated financial statements. Management's attestation on the adequacy of financial controls appears on the opposite page. The Provincial Auditor of Saskatchewan has reported to the legislative assembly that financial controls are adequately functioning.

KPMG LLP has audited the consolidated financial statements. Their report to the members of the legislative assembly, stating the scope of their examination and opinion on the consolidated financial statements, appears on the following page.

Kent Campbell, CPA, CMA President & CEO	Cindy Ogilvie Cindy Ogilvie, CPA, CA Senior Vice President & CFO

June 20, 2024

Annual Statement of Management Responsibility

I, Kent Campbell, President and Chief Executive Officer of Crown Investments Corporation of Saskatchewan, and I, Cindy Ogilvie, Senior Vice President and Chief Financial Officer of Crown Investments Corporation of Saskatchewan, certify the following:

That we have reviewed the consolidated financial statements included in the Annual Report of Crown Investments Corporation of Saskatchewan. Based on our knowledge, having exercised reasonable diligence, the consolidated financial statements included in the annual report, fairly present, in all material respects the financial condition, results of operations, and cash flows, as of March 31, 2024.

That based on our knowledge, having exercised reasonable diligence, the consolidated financial statements included in the Annual Report of Crown Investments Corporation of Saskatchewan do not contain any untrue statements of material fact, or omit to state a material fact that is either required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

That Crown Investments Corporation of Saskatchewan is responsible for establishing and maintaining effective internal controls over financial reporting, which include safeguarding of assets and compliance with applicable legislative authorities; and Crown Investments Corporation of Saskatchewan has designed internal controls over financial reporting that are appropriate to the circumstances of Crown Investments Corporation of Saskatchewan.

That Crown Investments Corporation of Saskatchewan conducted its assessment of the effectiveness of the Corporation's internal controls over financial reporting and, based on the results of this assessment, Crown Investments Corporation of Saskatchewan can provide reasonable assurance that internal controls over financial reporting as of March 31, 2024 were operating effectively, and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

On behalf of management:

Cindy Ogilvie

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie, CPA, CA
Senior Vice President & CFO

June 20, 2024

Independent Auditor's Report

To the Members of the Legislative Assembly, Province of Saskatchewan

Opinion

We have audited the consolidated financial statements of Crown Investments Corporation of Saskatchewan ("the Entity") which comprise:

- the consolidated statement of financial position as at March 31, 2024
- the consolidated statement of income for the year then ended
- the consolidated statement of comprehensive income (loss) for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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.

Emphasis of Matter – Change in Accounting Policy and Comparative Information

We draw attention to Note 3 to the financial statements ("Note 3"), which explains that certain comparative information presented for the year ended March 31, 2023 has been restated, for the adoption of IFRS 17.

Note 3 to the financial statements also explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information. Our opinion is not modified in respect of this matter.

Other Matter – Change in Accounting Policy and Comparative Information

As part of our audit of the financial statements for the year ended March 31, 2024, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2023.

In our opinion, such adjustments are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditor's report thereon, included in the annual report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the annual report as at the date of this auditor's report.

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 the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants
June 20, 2024
Regina, Canada

CIC CONSOLIDATED

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Financial Position
As at March 31
(thousands of dollars)

	Note	2024	2023 (Restated – Note 3)
ASSETS			
Current			
Cash and cash equivalents	6	$ **556,137**	$ 316,868
Short-term investments	7	**159,675**	66,331
Short-term investments under securities lending program	7	**55,132**	98,753
Accounts receivable	9(d)	**957,449**	837,812
Reinsurance contract assets	8	**62,285**	55,531
Derivative financial assets	9	**17,584**	75,004
Inventories	10	**421,996**	362,311
Prepaid expenses		**127,474**	119,215
Contract assets and costs	11	**98,638**	92,718
Assets held-for-sale		**-**	1,420
		2,456,370	2,025,963
Investments	7	**2,321,286**	1,994,079
Investments under securities lending program	7	**289,722**	364,920
Contract assets and costs	11	**76,407**	81,732
Investments in equity accounted investees	12	**134,751**	119,207
Property, plant and equipment	13	**17,185,701**	16,207,280
Right-of-use assets	14	**490,786**	534,331
Intangible assets	15	**518,750**	519,532
Other assets		**39,588**	22,553
		$ **23,513,361**	$ 21,869,597
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		$ **2,469**	$ -
Trade and other payables		**1,364,272**	1,193,475
Derivative financial liabilities	9	**48,786**	61,919
Notes payable	16	**1,403,372**	1,305,512
Deferred revenue		**3,835**	4,047
Insurance contract liabilities	8	**1,079,051**	994,363
Provisions	17	**7,523**	-
Lease liabilities	18	**72,302**	68,523
Long-term debt due within one year	19	**353,064**	152,100
Contract liabilities	20	**99,673**	120,306
		4,434,347	3,900,245
Provisions	17	**537,913**	562,969
Lease liabilities	18	**854,073**	904,914
Long-term debt	19	**10,818,853**	10,087,247
Contract liabilities	20	**158,188**	164,896
Employee future benefits	21	**82,842**	145,299
Other liabilities		**100,360**	42,587
		16,986,576	15,808,157
Equity advances	22	**538,389**	538,389
Retained earnings		**5,795,906**	5,369,584
Accumulated other comprehensive income	23	**192,490**	153,467
		6,526,785	6,061,440
		$ **23,513,361**	$ 21,869,597

Commitments and contingencies 24

(See accompanying notes)

On behalf of the Board:

Director

Director

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Income
For the Year Ended March 31
(thousands of dollars)

	Note	2024	2023 (Restated – Note 3)
INCOME FROM OPERATIONS	25		
Revenue		$ **7,499,049**	$ 6,840,685
Other income		**2,913**	5,452
		7,501,962	6,846,137
EXPENSES			
Operating		**3,989,818**	4,089,675
Salaries, wages and short-term employee benefits		**1,075,340**	929,894
Employee future benefits	21	**77,812**	70,813
Depreciation and amortization	26	**1,027,279**	1,009,688
Loss on disposal of property, plant and equipment	29	**34,225**	26,842
Impairment losses (recoveries)	29	**2,682**	(930)
(Recovery of) provision for decommissioning and environmental remediation liabilities	17	**(4,290)**	31,495
Saskatchewan taxes and fees	27	**300,927**	192,978
		6,503,793	6,350,455
RESULTS FROM OPERATING ACTIVITIES		**998,169**	495,682
Finance income	28	**203,941**	102,470
Finance expenses	28	**(643,793)**	(590,901)
NET FINANCE EXPENSES		**(439,852)**	(488,431)
Share of net earnings from equity accounted investees	12	**20,535**	9,975
NET EARNINGS FROM CONTINUING OPERATIONS		**578,852**	17,226
Net loss from discontinued operations		**(530)**	-
NET EARNINGS		$ **578,322**	$ 17,226

CIC CONSOLIDATED

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Comprehensive Income (Loss)
For the Year Ended March 31
(thousands of dollars)

	Note	2024	2023 (Restated – Note 3)
NET EARNINGS		**$ 578,322**	$ 17,226
OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS			
Items that may be reclassified subsequently to net earnings:			
Unrealized losses on sinking funds	7(a)	**(3,039)**	(15,503)
Unrealized losses on cash flow hedges		**(19,245)**	(44,790)
Realized losses on cash flow hedges		**459**	459
Items that will not be reclassified to net earnings:			
Impact of changes in actuarial assumptions on defined benefit pension plans	21	**32,296**	75,227
Impact of changes in actuarial assumptions on other defined benefit plans	21	**(549)**	1,092
Gain (loss) on pension plan assets (excluding interest income)	21	**29,101**	(70,092)
		39,023	(53,607)
TOTAL COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 617,345**	$ (36,381)

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Changes in Equity
For the Year Ended March 31
(thousands of dollars)

		Attributable to the Province of Saskatchewan			
	Note	Equity Advances	Retained Earnings	Accumulated Other Comprehensive Income (Note 23)	Total Equity
Balance at March 31, 2022 (As reported)		**$ 631,889**	**$ 5,511,486**	**$ 206,792**	**$ 6,350,167**
Impact of the application of IFRS 17*	3	-	18,602	-	**18,602**
Balance at April 1, 2022 (Restated)*		**$ 631,889**	**$ 5,530,088**	**$ 206,792**	**$ 6,368,769**
Transfer of SOCO to Innovation Saskatchewan		-	(34,730)	282	**(34,448)**
Total comprehensive income (loss)*		-	17,226	(53,607)	**(36,381)**
Dividends to the GRF		-	(143,000)	-	**(143,000)**
Equity repayments to the GRF		(93,500)	-	-	**(93,500)**
Balance at March 31, 2023 (Restated)*		**$ 538,389**	**$ 5,369,584**	**$ 153,467**	**$ 6,061,440**
Balance at April 1, 2023		**$ 538,389**	**$ 5,369,584**	**$ 153,467**	**$ 6,061,440**
Total comprehensive income		-	578,322	39,023	**617,345**
Dividends to the GRF		-	(152,000)	-	**(152,000)**
Balance at March 31, 2024		**$ 538,389**	**$ 5,795,906**	**$ 192,490**	**$ 6,526,785**

*Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations.

(See accompanying notes)

CIC CONSOLIDATED

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Cash Flows
For the Year Ended March 31
(thousands of dollars)

	Note		2024		2023 (Restated – Note 3)
OPERATING ACTIVITIES					
Net earnings		$	**578,322**	$	17,226
Adjustments to reconcile net earnings to cash from operating activities	29(a)		**1,500,992**		1,601,542
			2,079,314		1,618,768
Net change in non-cash working capital balances related to operations			**(98,547)**		89,365
SOCO cash transferred to Innovation Saskatchewan			**-**		(16,812)
Income taxes recovered (paid)			**26,731**		(9,724)
Interest paid			**(581,047)**		(535,357)
Net cash from operating activities			**1,426,451**		1,146,240
INVESTING ACTIVITIES					
Interest received			**41,360**		30,936
Purchase of investments			**(1,230,392)**		(1,247,220)
Proceeds from sale and collection of investments			**1,117,350**		1,212,056
Purchase of property, plant and equipment			**(1,805,718)**		(1,560,638)
Costs from sale of property, plant and equipment			**(7,293)**		(6,723)
Purchase of intangible assets			**(77,008)**		(58,238)
(Increase) decrease in other assets			**(32)**		1,117
Net cash used in investing activities			**(1,961,733)**		(1,628,710)
FINANCING ACTIVITIES	29(b)				
Increase in notes payable			**97,860**		161,760
Increase in other liabilities			**67,018**		9,706
Debt proceeds from the GRF			**1,064,645**		1,015,611
Debt repayments to the GRF			**(152,100)**		(256,320)
Long-term debt proceeds from other lenders			**23,986**		-
Principal repayment of lease liabilities			**(69,710)**		(60,292)
Sinking fund installments			**(109,253)**		(96,715)
Sinking fund redemptions			**1,636**		71,834
Equity advances repaid to the GRF			**-**		(93,500)
Dividends paid to the GRF			**(152,000)**		(143,000)
Net cash from financing activities			**772,082**		609,084
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR			**236,800**		126,614
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			**316,868**		190,254
CASH AND CASH EQUIVALENTS, END OF YEAR		$	**553,668**	$	316,868
Cash and cash equivalents consists of:					
Cash and cash equivalents		$	**556,137**	$	316,868
Bank indebtedness			**(2,469)**		-
		$	**553,668**	$	316,868

(See accompanying notes)

1. General information

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled and incorporated in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. The consolidated financial statements of CIC comprise CIC and its subsidiaries (collectively referred to as "CIC" or "the Corporation") and the Corporation's interest in associates, joint ventures and joint operations with principal activities as described in Note 4(a).

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (IFRS), as issued by the International Accounting Standards Board. The consolidated financial statements were authorized for issue by the Board of Directors on June 20, 2024.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Inventory at lower of cost and net realizable value (Note 4(d)).
- Financial instruments that are accounted for according to the categories defined in Note 4(i).
- Certain prepaid expenses for property and casualty insurance are discounted at expected future cash flows (Note 4(l)).
- Provisions discounted at expected future cash flows (Note 17).
- Employee future benefits are recognized at the fair value of plan assets less the present value of the accrued benefit obligation (Note 21).

c) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency.

d) Accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Significant items subject to estimates and assumptions include the carrying amounts of property, plant and equipment (Note 13 and 26), right-of-use assets (Note 14 and 26), lease liabilities (Note 18), intangible assets (Note 15 and 26), provisions (Note 17), accounts receivable (Note 9(d)), liability for incurred claims and the asset for reinsured claims (note 8), inventories (Note 10), investments (Note 7), contract assets and costs (Note 11), contract liabilities (Note 20), and investments in equity accounted investees (Note 12), the underlying estimations of useful lives of depreciable assets (Note 26), the fair value of financial instruments (Note 9), the carrying amounts of employee future benefits including underlying actuarial assumptions (Note 21), and the measurement of commitments and contingencies (Note 24).

2. Basis of preparation *(continued)*

e) Accounting judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies. Material items subject to judgement are included in the accounting policies listed in Note 4.

3. Application of new accounting standards, and amendments to standards and interpretations

The corporation adopted the following accounting amendments that are effective for the interim and annual consolidated financial statements.

a) **IAS 1,** *Presentation of Financial Statements* – Disclosure of Accounting Policies, requiring entities to disclose material, instead of significant, accounting policy information. The adoption of the amendment to the standard does not have a material impact on the Corporation's consolidated financial statement.

b) **IAS 8,** *Accounting Policies – Changes in Accounting Estimates and Errors*, clarifying the definition of "accounting policies" and "accounting estimates". The adoption of the amendment to the standard does not have a material impact on the Corporation's consolidated financial statement.

c) First-Time adoption of IFRS 17 Insurance contracts

The Corporation has applied IFRS 17 – *Insurance contracts* effective April 1, 2023. This standard has brought significant changes to the accounting for insurance and reinsurance contracts. As a result, the Corporation has restated certain comparative information. The nature and effects of the key changes in the Corporation's accounting policies resulting from its adoption of IFRS 17 are summarized below.

Classification, recognition, measurement, and presentation of insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces a general model that measures groups of contracts based on the Corporation's estimates of the present value of future cash flows that are expected to arise as the Corporation fulfils the contracts, including an explicit risk adjustment for non-financial risk.

Entities also have the option to use a simplified measurement model, the Premium Allocation Approach (PAA), for contracts that are one year or less, or for contracts longer than one year if there is no material difference in the liability for remaining coverage measured under both the PAA and the general measurement model.

The Corporation has elected to apply the PAA for all insurance and reinsurance contracts. When measuring liabilities for remaining coverage, the PAA is similar to the Corporations' previous accounting treatment under IFRS 4 – *Insurance contracts*. However, when measuring liabilities for incurred claims the Corporation includes an explicit risk adjustment for non-financial risk. Under the PAA, the following are the key differences between IFRS 4 and IFRS 17:

3. Application of new accounting standards, and amendments to standards and interpretations *(continued)*

- **Deferral of acquisition costs** – Under IFRS 17, insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. An entity may elect to capitalize and amortize these costs over the coverage period based on the expected timing of incurred insurance service expense of the related group. It is similar to IFRS 4's deferred policy acquisition costs except that IFRS 17 also includes a portion of allocated indirect costs, as a result, the Corporation has capitalized additional costs under IFRS 17.

- **Onerous contracts** – IFRS 17 requires the identification of groups of onerous contracts at a more granular level than the liability adequacy test performed under IFRS 4. In the event of the existence of onerous contracts, a loss component is recognized immediately in net income, which is earlier recognition than IFRS 4.

- **Discount rate** – Under IFRS 17, the net liability for incurred claims is discounted at a rate that reflects the characteristics of the liabilities and the duration of each portfolio. The Corporation has established a discount yield curve using risk-free rates adjusted to reflect the illiquidity characteristics of the applicable group of insurance contracts. Under IFRS 4, the Corporation discounted unpaid claims and reinsurance recoverable with a discount rate based upon the expected return of the bond investments that approximated the cash flow requirements of the unpaid claims.

- **Risk adjustment** – Under IFRS 4, unpaid claims and reinsurance recoverable included a risk margin to reflect the uncertainty in the discounted net claims liabilities. Under IFRS 17, the risk margin is replaced by a risk adjustment representing compensation that the entity requires for bearing the uncertainty from non-financial risk.

Changes to Presentation and Disclosure

Consolidated statement of financial position

IFRS 17 introduces changes to the way in which the Corporation presents and discloses financial results relating to insurance contracts.

Reinsurance contract assets are separately presented in the consolidated statement of financial position and include amounts expected to be recovered from reinsurers and an allocation of the reinsurance premiums paid.

Insurance contract liabilities are presented in the consolidated statement of financial position as a single line item and consist of premiums receivable, deferred acquisition costs, unearned premiums, onerous loss component (if applicable), discounted and risk adjusted claim liabilities, and other related liabilities.

3. Application of new accounting standards, and amendments to standards and interpretations *(continued)*

Transition

Changes in accounting policies resulting from the adoption of IFRS 17 have been applied using a full retrospective approach. Under the full retrospective approach, at April 1, 2022, the Corporation:

- identified, recognized and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied.
- derecognized previously reported balances that would not have existed if IFRS 17 had always been applied.
- recognized any resulting net difference in equity.

The Corporation has applied the transition provisions in IFRS 17 and has disclosed the impact of the adoption of IFRS 17 on financial statements below.

Impact of IFRS 17 on the Corporation's total equity:

Total Equity as at April 1, 2022

		(thousands of dollars) Total Equity
Balance as at March 31, 2022 (IFRS 4)	**$**	**6,350,167**
Adjustment to defer additional acquisition costs		3,680
Change in discount rate		8,078
Change to risk adjustment		11,882
Other		(1,955)
Tax effect of all IFRS 17 changes		(3,083)
Total adjustments		**18,602**
Balance as at April 1, 2022 (IFRS 17)	**$**	**6,368,769**

Total Equity as at March 31, 2023

		(thousands of dollars) Total Equity
Balance as at March 31, 2023 (IFRS 4)	**$**	**6,033,027**
Adjustment to defer additional acquisition costs		15,026
Adjustment to recognize expected onerous contracts		(5,883)
Change in discount rate		11,971
Change to risk adjustment		12,626
Other		(957)
Tax effect of all IFRS 17 changes		(4,370)
Total adjustments		**28,413**
Balance as at March 31, 2023 (IFRS 17)	**$**	**6,061,440**

3. Application of new accounting standards, and amendments to standards and interpretations *(continued)*

Impact on the consolidated statement of financial position (select lines)
As at March 31, 2023 (thousands of dollars)

	Previously reported	IFRS 17 Adjustments	**Restated for IFRS 17**
ASSETS			
Current			
Accounts receivable	$ 1,170,169	$ (332,357)	**$ 837,812**
Reinsurance contract assets	-	55,531	**55,531**
Prepaid expenses	318,685	(199,470)	**119,215**
Total current assets	2,502,259	(476,296)	**2,025,963**
Other assets	27,081	(4,528)	**22,553**
Total assets	$ 22,350,421	$ (480,824)	**$ 21,869,597**
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Trade and other payables	$ 1,234,384	$ (40,909)	**$ 1,193,475**
Deferred revenue	674,843	(670,796)	**4,047**
Insurance contract liabilities	-	994,363	**994,363**
Provisions	361,459	(361,459)	**-**
Total current liabilities	3,979,046	(78,801)	**3,900,245**
Provisions	993,246	(430,277)	**562,969**
Other liabilities	42,746	(159)	**42,587**
Total liabilities	16,317,394	(509,237)	**15,808,157**
Retained earnings	5,341,171	28,413	**5,369,584**
Total liabilities and Province's equity	$ 22,350,421	$ (480,824)	**$ 21,869,597**

3. Application of new accounting standards, and amendments to standards and interpretations *(continued)*

Impact on the consolidated statement of comprehensive income (select lines)
For the year ended March 31, 2023 (thousands of dollars)

	Previously reported	IFRS 17 Adjustments	**Restated for IFRS 17**
INCOME FROM OPERATIONS			
Revenue	$ 6,811,832	$ 28,853	**$ 6,840,685**
EXPENSES			
Operating	4,085,673	4,002	**4,089,675**
Employee future benefits	930,226	(332)	**929,894**
Depreciation and amortization	77,294	(6,481)	**70,813**
Total operating expenses	6,353,266	(2,811)	**6,350,455**
RESULTS FROM OPERATING ACTIVITIES	464,018	31,664	**495,682**
Finance income	124,321	(21,851)	**102,470**
Finance expenses	(590,899)	(2)	**(590,901)**
NET FINANCE EXPENSE	(466,578)	(21,853)	**(488,431)**
NET EARNINGS	$ 7,415	$ 9,811	**$ 17,226**

Impact on the consolidated statement of cash flow (select lines)
For the year ended March 31, 2023 (thousands of dollars)

	Previously reported	IFRS 17 Adjustments	**Restated for IFRS 17**
OPERATING ACTIVITIES			
Net earnings	$ 7,415	$ 9,811	**$ 17,226**
Adjustment to reconcile net earnings to cash from operating activities	1,613,304	(11,762)	**1,601,542**
Net change in non-cash working capital balances related to operations	87,414	1,951	**89,365**
Net cash from operating activities	$ 1,146,240	$ -	**$ 1,146,240**

4. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except as described in Note 3. The accounting policies have been consistently applied by CIC's subsidiaries.

a) Basis of consolidation

Subsidiaries

Saskatchewan provincial Crown corporations are either designated as subsidiary Crown corporations of CIC or created as CIC Crown corporations under *The Crown Corporations Act, 1993* (the Act). The Act assigns specific financial and other responsibilities regarding these corporations to CIC.

Separate audited financial statements for CIC have been prepared to show the financial position and results of operations of the corporate entity. In addition, audited financial statements for each of the undernoted Crown corporations, which are consolidated in these financial statements, are prepared and released publicly:

Wholly-owned subsidiaries domiciled in Canada	**Principal Activity**
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Information and communications technology
SaskEnergy Incorporated (SaskEnergy)	Natural gas storage and delivery
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management
Saskatchewan Government Insurance (SGI CANADA)	Property and casualty insurance
Lotteries and Gaming Saskatchewan (LGS)/ Saskatchewan Gaming Corporation (SGC or SaskGaming)[1]	Entertainment

[1] Effective April 1, 2023, LGS began as a new commercial Crown corporation. LGS consolidates the management oversight for casinos, video lottery terminals (VLTs), lotteries, and online gaming. As part of the new Crown corporation, SGC was reconfigured as a wholly-owned business subsidiary of LGS and will continue to operate casinos Regina and Moose Jaw, with no significant changes to overall operations. SGC's financial results have been consolidated with LGS as of June 1, 2023, with the start of operations.

In addition to the Crown corporations listed above, the Corporation also consolidates its wholly-owned share capital subsidiary CIC Asset Management Inc. (AMI). AMI has a mandate to prudently monitor and review its remaining portfolio of investments and environmental liabilities.

Associates and joint ventures (investments in equity accounted investees)

Associates are those entities in which the Corporation has significant influence, but not control over strategic financial and operating decisions. Significant influence is presumed to exist when the Corporation holds between 20.0 and 50.0 per cent of the voting power of another entity.

Joint ventures are those entities over whose activities the Corporation has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions, and provide the Corporation with rights to the net assets of the arrangement.

Associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The Corporation's investment includes any goodwill identified at acquisition, net of accumulated impairment losses.

4. Material accounting policies *(continued)*

The consolidated financial statements include the Corporation's share of the total comprehensive income and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Corporation, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Corporation's share of losses exceeds its interest in equity accounted investees, the carrying amount of that interest is reduced to $Nil and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

Joint operations

i) **Totnes Natural Gas Storage Facility (Totnes)**

The Corporation has a 50.0 per cent interest in Totnes, which operates natural gas storage facilities in Saskatchewan.

ii) **International CCS Knowledge Centre**

The Corporation has a 50.0 per cent interest in the BHP SaskPower Carbon Capture and Storage (CCS) Knowledge Centre Inc. This not-for-profit corporation was established to advance the understanding and use of CCS as a means of managing greenhouse gas emissions and to further research projects as agreed upon by its members from time to time. The operations are fully funded by BHP Canada Inc. as per the sponsorship funding agreement which has been extended to December 31, 2026.

Transactions eliminated on consolidation

Inter-group balances and transactions, and any unrealized income and expenses arising from inter-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with investments in equity accounted investees are eliminated against the investment to the extent of the Corporation's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b) Cash and cash equivalents

Cash and cash equivalents include short-term investments that have an original maturity of ninety days or less. The Corporation classifies cash and cash equivalents as financial instruments at fair value through profit or loss.

c) Insurance and reinsurance contracts

Classification and summary of measurement models

All insurance contracts and all reinsurance contracts are measured under a simplified measurement model, the PAA (Note 3c).

4. Material accounting policies *(continued)*

Recognition

The Corporation initially recognizes groups of insurance contracts it issues from the earliest of the following:

- The beginning of its coverage period.
- The date when the first payment from a policyholder is due or when the first payment is received if there is no due date, or
- When facts and circumstances indicate that the contract is onerous.

The Corporation initially recognizes a group of reinsurance contracts held:

- From the beginning of the coverage period of the group unless the reinsurance contracts provide proportionate coverage, in which case it is on the initial recognition of any underlying contracts, or
- The date the Corporation recognized an onerous group of underlying contracts if the Corporation entered into the related reinsurance contracts at or before that date.

Contract boundaries

The measurement of groups of insurance and reinsurance contracts includes all the future cash flows within the boundary of each contract.

Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Corporation can compel the policyholder to pay the premiums or has a substantive obligation to provide the policyholder with services.

A substantive obligation or right ends when the Corporation has the practical ability to reassess risks and can set a price or level of benefits that fully reflects those risks.

Measurement models

The carrying amount of a group of insurance and reinsurance contracts at the end of each reporting period is composed of the following:

- Liability for remaining coverage: the obligation to provide coverage after the reporting period for insured events that have not occurred.
- Liability for incurred claims: the obligation to investigate and pay claims for insured events that have already occurred, including events that have occurred but for which claims have not yet been reported to the Corporation and other incurred insurance expenses.
- Asset for remaining coverage: the right to receive coverage from a reinsurer after the reporting period for insured events that have not yet occurred.
- Asset for incurred claims: the right to receive compensation for reinsured events that have already occurred, including events that have occurred, but for which reinsured claims have not been reported.

4. Material accounting policies *(continued)*

Premium Allocation Approach (PAA)

The Corporation applies the PAA when measuring the liability for remaining coverage as follows:

i) Initial and subsequent measurement
The Corporation has elected to not discount the liability for remaining coverage under the PAA.

ii) Insurance acquisition cashflow
The Corporation has elected to defer insurance acquisition cash flows and amortize the costs over the coverage period.

iii) Onerous Contracts
The Corporation assumes no contracts in a portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise. The Corporation has developed a methodology for identifying indicators of possible onerous contracts, including reviewing forward looking expectations such as budget information, rate indications as well as historical experience.

iv) Reinsurance contracts are measured on the same basis as insurance contracts, except:
- They are adapted to reflect the features of reinsurance contracts that differ from insurance contracts, for example the generation of expenses or reduction in expenses rather than revenue,
- They include an allowance for non-performance risk by the reinsurer (which is presented in net revenue (expenses) from reinsurance contracts), and
- The risk adjustment represents the amount of risk being transferred to the reinsurer.

v) Liability for incurred claims
The Corporation has elected to discount all of its liability for incurred claims.

vi) Derecognition and contract modification
The Corporation derecognizes a contract when it is extinguished – i.e., when the specified obligations in the contract expire or are discharged or cancelled.

The Corporation also derecognizes a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognized. If a contract modification does not result in derecognition, then the Corporation treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

Risk Adjustment

The measurement of insurance and reinsurance contracts includes a risk adjustment for non-financial risk. The risk adjustment for non-financial risk is the compensation required for bearing the uncertainty about the amount and timing of cash flows of groups of insurance contracts. The risk adjustment includes the benefit of diversification and excludes the impact of financial risks. The change in the risk adjustment is presented in the insurance service result.

Discount Rate

The liability for incurred claims is discounted. The Corporation has established a discount yield curve using risk-free rates adjusted to reflect the illiquidity characteristics of the applicable insurance contracts.

4. Material accounting policies *(continued)*

Insurance revenue

Insurance revenue on direct insurance is allocated over the coverage period of the contract and includes:

- Premium receipts net of cancellations, and sales taxes, and
- Other insurance revenue which includes fees collected from policyholders in connection with the costs incurred for the Corporation's billing plans and fees received for the administration of other policies.

Insurance service expense

Insurance service expense includes fulfilment and acquisition cash flows which are costs directly attributable to insurance contracts and are comprised of both direct costs and an allocation of indirect costs. It is composed of the following:

- Incurred claims and other insurance service expense, which are fulfillment cash flows and include direct incurred claims and non-acquisition costs directly related to fulfilling insurance contracts,
- Amortization of insurance acquisition cash flows (see above), and
- Losses and reversals on onerous contracts (see above).

Insurance finance income and expense

Insurance finance income or expense comprises the change in the carrying amount of the group of insurance contracts arising from:

- The discount unwinding,
- Changes in discount rates, and
- The effect of financial risk and changes in financial risk.

The Corporation has elected to record changes in discount rates in net income in insurance finance (expense) income.

d) Inventories

Inventories held-for-resale, including natural gas in storage held-for-resale, are valued at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Net realizable value for natural gas inventory is determined using natural gas market prices based on anticipated delivery dates. Natural gas in storage held-for-resale is charged to inventory when purchased and expensed as sold.

Other supplies inventories are valued at the lower of weighted average cost and net realizable value. Replacement cost is used as management's best estimate of the net realizable value for other supplies inventory. In establishing the appropriate provision for supplies inventory obsolescence, management estimates the likelihood that supplies inventory on hand will become obsolete due to changes in technology. Other supplies are charged to inventory when purchased and expensed or capitalized when used.

4. Material accounting policies *(continued)*

e) Contract assets, costs, and liabilities

A contract asset is recognized when the Corporation's right to consideration from the transfer of products or services to a customer is conditional on the obligation to transfer the underlying products or services. Contract assets are reclassified as accounts receivable when the right to consideration becomes conditional only as to the passage of time, typically consistent with the pattern of delivery of the related goods or services. A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract liabilities are recognized in revenue upon satisfaction of the related performance obligations. Contract assets and liabilities relating to the same contract are presented on a net basis. Amortization is recognized in net earnings consistent with the pattern of delivery of the related goods and services, ranging from two to four years.

Incremental costs of obtaining a contract with a customer are recognized in contract assets. The costs are principally composed of sales commissions and prepaid contract fulfillment costs. Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services which is typically between two and ten years.

f) Property, plant, and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset. The cost of self-constructed assets includes materials, services, direct labour, directly attributable overheads, and other costs directly attributable to preparing the asset for its intended use. Interest costs associated with major capital and development projects are capitalized during the construction period at the weighted average cost of long-term borrowings. Assets under construction are recorded as in progress until operational and available for use, at which time they are transferred to property, plant and equipment.

Costs are recognized as an asset if it is probable that economic benefits associated with the item will flow to the Corporation and the cost can be reliably measured. Significant renewals and enhancements to existing assets are capitalized only if the useful life of the asset is increased, physical output, service capacity or quality is improved above original design standards, or operating costs are reduced by a substantial and quantifiable amount that can be reliably measured. The cost of maintenance, repairs, renewals, or replacements which do not provide benefits into the future are charged to operating expense as incurred.

Significant parts of an item of property, plant and equipment that have different useful lives are accounted for as separate items of property, plant, and equipment.

When property, plant, and equipment is disposed of or retired, the related costs less accumulated depreciation and impairment losses are eliminated from the accounts. Any resulting gains or losses are reflected in net earnings in the period of disposal.

4. Material accounting policies *(continued)*

g) Depreciation of property, plant, and equipment

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual amount. Depreciation is recorded primarily on the straight-line basis over the useful life of each asset as follows:

Machinery and equipment	3 - 110 years
Buildings and improvements	3 - 75 years
Coal properties and rights	0 - 55 years

The useful life and depreciation method are reviewed periodically to ensure consistency with the expected pattern of economic benefits from these assets. Right-of-use assets are depreciated over the lease term.

h) Intangible assets

Finite-life intangibles

Finite-life intangible assets, acquired individually, with a group of other assets are measured at cost of acquisition or development less accumulated amortization and accumulated impairment losses and may include direct development costs and overhead costs directly attributable to the development activity.

Capitalized software includes externally purchased software packages as well as external and internal direct labour costs related to internally developed programs. Software development costs are capitalized if it is probable that the asset developed will generate future economic benefits. Software is amortized on a straight-line basis over an estimated useful life of one to ten years from the date of acquisition. Maintenance of existing software programs is expensed as incurred.

Estimated useful lives of finite-life intangible assets are reviewed annually with any changes applied prospectively.

Indefinite-life intangibles

Spectrum licences, for wireless telecommunication services, have been classified as indefinite-life intangible assets due to the current licensing terms, the most significant of which are minimal renewal fees and no regulatory precedent of material licence revocation. Should these factors change, the classification as indefinite life will be reassessed. The licences are not subject to amortization and are carried at cost less accumulated impairment losses.

i) Financial instruments

The Corporation classifies its financial instruments into one of the following categories: fair value through profit or loss; amortized cost; and fair value through other comprehensive income.

Financial assets and liabilities are offset and the net amount reported on the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

4. Material accounting policies *(continued)*

Classification and measurement

All financial instruments are measured at fair value on initial recognition. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments at fair value through profit or loss in which case the transaction costs are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument (Note 9).

i) Financial instruments at fair value through profit or loss

The Corporation classifies cash and cash equivalents, derivative financial assets and liabilities that do not qualify as a hedge and are not designated as a hedge, certain investments, and bank indebtedness as financial instruments at fair value through profit or loss. They are subsequently measured at fair value with changes in fair value recognized in net earnings.

ii) Financial instruments at amortized cost

The Corporation classifies accounts receivable, certain investments, trade and other payables, notes payable and long-term debt as amortized cost. Amortized cost financial instruments are subsequently measured at amortized cost using the effective interest method, less any provision for impairment losses on financial assets. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

iii) Financial instruments at fair value through other comprehensive income

The Corporation classifies sinking funds as fair value through other comprehensive income. They are subsequently measured at fair value with changes in fair value recognized in other comprehensive income.

Investments under securities lending program

Securities lending transactions are entered into on a collateralized basis. The securities lent are not derecognized on the consolidated statement of financial position given that the risks and rewards of ownership are not transferred from the Corporation to the counterparties in the course of such transactions. The securities are included in the consolidated statement of financial position on the basis that the counterparties may resell or re-pledge the securities during the time that the securities are in their possession.

Securities received from counterparties as collateral are not included in the consolidated statement of financial position given that the risks and rewards of ownership are not transferred from the counterparties to the Corporation in the course of such transactions. In Canada, the current market practice is to obtain collateral of at least 102.0 per cent of the market value of the securities lent. At March 31, 2024, the Corporation held collateral of $362.1 million (2023 - $486.9 million) for the loaned securities, which represents approximately 105.0 per cent of the fair value of the loaned securities.

4. Material accounting policies *(continued)*

Structured settlements

In the normal course of insurance claim adjudication, the Corporation settles certain long-term claims losses through the purchase of annuities under structured settlement arrangements with life insurance companies. As the Corporation does not retain any interest in the related insurance contract and obtains a legal release from the claimant, any gain or loss on the purchase of the annuity is recognized in net earnings at the date of the purchase and the related claims liabilities are derecognized. However, the Corporation remains exposed to the credit risk that the life insurance companies may fail to fulfill their obligations (Note 9(f)(iii)).

Derivative instruments

The Corporation utilizes a variety of derivative instruments to manage its exposure to interest rate, electricity price risk and natural gas price risk. The terms and conditions of certain financial and non-financial derivative financial instrument contracts require the Corporation to provide collateral when the fair value of the obligation pursuant to these contracts is in excess of exposure limits granted. When posted, these collateral amounts are recognized as margin deposits on derivative contracts and are included with accounts receivable.

In order to qualify for hedge accounting, the Corporation designates derivatives as hedges through formal documentation of all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking the hedge transaction. This process includes linking derivatives to specific assets and liabilities or to specific firm commitments or forecast transactions. At the hedge's inception and on an ongoing basis, the Corporation formally assesses whether the derivatives used are highly effective in offsetting changes in cash flows of the hedged item and the timing of the cash flows is similar.

The Corporation may enter into forward contracts to hedge exposures to anticipated changes in commodity prices on forecasted natural gas purchases related to the Corporation's power purchase agreements (PPAs) and bond forward agreements to hedge exposures to anticipated changes in interest rates on certain forecasted issuances of long-term debt. The Corporation has chosen to designate these contracts as cash flow hedges. The Corporation assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. The Corporation applies a hedge ratio of 1:1. As such, the effective portion of the changes in fair value related to the derivative financial instruments have been recognized in other comprehensive income, with the fair value being recognized as derivative financial assets or liabilities on the consolidated statement of financial position. Ineffective portions of hedges are recorded in profit or loss immediately. When the natural gas forward agreements are settled, the resulting gain or loss recorded in accumulated other comprehensive income is recognized in net earnings immediately. When the bond forward agreements expire upon the issuance of long-term debt, the resulting gain or loss recorded in accumulated other comprehensive income is amortized to net earnings over the term of the debt. If no debt is issued, the gain or loss is recognized in net earnings immediately.

Derivative instruments not designated as a hedge are classified as fair value through profit or loss and are recorded at fair value in the consolidated statement of financial position in current assets or current liabilities, as described in Note 9, commencing on the trade date. The change in the fair value is recorded in net earnings and classified within the revenue or expense category to which it relates. The revenue and expense categories impacted are described in Note 9(b).

4. Material accounting policies *(continued)*

Certain commodity contracts for the physical purchase of natural gas qualify as own-use contracts. The Corporation entered into these contracts for the purpose of physical receipt of the natural gas in accordance with its own expected usage requirements for the generation of electricity and sales requirements for commodity customers. As such, these non-financial derivative contracts are not recorded at fair value on the consolidated statement of financial position; rather, the contracts are accounted for as a purchase at the time of delivery.

Derivatives may be embedded in hybrid contracts that also include a non-derivative host. If a hybrid contract contains a host that is a financial asset within the scope of IFRS 9, the entire contract is classified as a financial asset. If a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative is treated as a separate derivative when: the economic characteristics and risks are not clearly and closely related to those of the host instrument; the embedded derivative has the same terms as those of a stand-alone derivative; and the combined contract is not measured at fair value with changes in fair value recognized in profit or loss. These embedded derivatives are typically measured at fair value with subsequent changes recognized in net earnings.

The Corporation utilizes natural gas sales contracts with embedded derivatives for non-regulated contract sales to large end-use customers.

j) Impairments

Financial assets

The Corporation recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost and on debt instruments designated as fair value through other comprehensive income (FVOCI). The Corporation measures loss allowances for accounts receivable at an amount equal to lifetime ECL. Debt instruments and other receivables that are determined to have low credit risk at the reporting date are measured at 12-month ECL. The Corporation considers a debt instrument to have low credit risk when its credit risk rating is A or higher (investment grade).

When determining whether the credit risk of a financial asset has increased, the Corporation performs a quantitative and qualitative analysis based on the Corporation's historical experience and forward-looking information. The Corporation assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Corporation considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full, without recourse by the Corporation to actions such as realizing security.

Credit loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and recognized in net earnings. For debt instruments at FVOCI, the loss allowance is charged to net earnings and is recognized in other comprehensive income (loss) (OCI). The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

4. Material accounting policies *(continued)*

Non-financial assets

The carrying amounts of non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro-rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation or at the best estimate to settle the obligation at the end of the reporting period. The unwinding of the discount on provisions is recognized as finance expenses.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning provisions

A decommissioning provision is a legal or constructive obligation associated with the decommissioning of a long-lived asset. The Corporation recognizes decommissioning provisions in the period incurred if a reasonable estimate of fair value (net present value) can be determined. The Corporation recognizes provisions to decommission coal generation facilities, natural gas generation facilities, cogeneration facilities, wind generation facilities, telecommunication towers, antennae, and fuel storage tanks in the period in which the facilities are commissioned.

The fair value of estimated decommissioning costs is recorded as a provision with an offsetting amount capitalized and included as part of property, plant and equipment. Decommissioning provisions are increased periodically for the passage of time by calculating accretion expense on the provision. The offsetting capitalized costs are depreciated over the estimated useful life of the related asset.

4. Material accounting policies *(continued)*

The calculations of fair value are based on detailed studies that take into account various assumptions regarding the anticipated future cash flows including the method and timing of decommissioning and an estimate of future inflation. Decommissioning provisions are periodically reviewed and any changes in the estimated timing and amount of future cash flows, as well as changes in the discount rate, are recognized as an increase or decrease in the carrying amount of the liability and the related asset. If the asset is fully depreciated, the changes are recognized in net earnings immediately.

Environmental remediation

A provision for environmental remediation is accrued when the occurrence of an environmental expenditure, related to present or past activities of the Corporation, is considered probable and the costs of remedial activities can be reasonably estimated. These estimates include costs for investigations and remediation at identified sites. These provisions are based on management's best estimate considering current environmental laws and regulations and are recorded at fair value. The Corporation reviews its estimates of future environmental expenditures on an ongoing basis. Changes in the estimated timing and amount of future cash flows, as well as changes in the discount rate, are recognized in net earnings immediately.

l) Revenue

Natural gas sales and delivery

The SaskEnergy Act was amended in December 2023. The amendment provided that, as of January 1, 2024, and for the purposes of Part 1 of the *Greenhouse Gas Pollution Pricing Act*, the Provincial Crown is the sole registered distributor of natural gas in Saskatchewan, in place of the Corporation. The Corporation may purchase, distribute, sell, manufacture, produce, transport, gather, compress and store natural gas as per *The SaskEnergy Act*. The Corporation's natural gas commodity revenue and transportation services are based on the consideration specified in contracts with customers.

Revenue from natural gas sales contracts with customers is recognized when control of the product is transferred to the customer or transportation service has been completed. This is generally at the point in time when the customer obtains legal title to the natural gas at its custody transfer point or the transportation service has been completed at the customer's natural gas line location and collection is reasonably assured. The amount of revenue recognized is based on the consideration specified in the contract.

A delivery service contract generates revenue from the transportation of natural gas to customers. Delivery revenue is recognized when natural gas is transferred to customers at their meter point and the performance obligation is satisfied.

The transaction price is allocated to natural gas sales and delivery service based on the applicable rates derived through the review process with the Saskatchewan Rate Review Panel and subsequently approved by Cabinet. An estimate of natural gas delivered, but not billed, is included in net earnings.

The Corporation also uses its access to natural gas markets to execute sales with offsetting purchases of natural gas to generate margins. Forward natural gas sales are recognized at fair value until the contract is realized into revenue at the point in time the contract becomes due.

4. Material accounting policies *(continued)*

Natural gas transportation and storage

In transportation and storage services, the performance obligation is satisfied when the transportation and storage services are complete and billed monthly. An estimate of transportation, storage and related services rendered, but not billed, is included in net earnings.

Electricity

Revenues from contracts with customers are derived from the generation, transmission, distribution, purchase and sale of electricity and related products and services. Contracts are evaluated to determine if they meet the definition of a contract with a customer at the inception of the contract and on an ongoing basis if there is an indication of significant changes in facts and circumstances. Revenue is measured based on the transaction price specified in a contract with a customer. Revenue is also recognized when control over a promised good or service is transferred to the customer and the Corporation is entitled to consideration as a result of completion of the performance obligation.

A contract liability is recorded when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation when that right is conditional on something other than the passage of time. The Corporation recognizes unconditional rights to consideration separately as a receivable. Contract assets and receivables are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired.

Significant judgment may be required to identify the number of distinct performance obligations within a contract and the allocation of the transaction price to multiple performance obligations in a contract, and to determine when performance obligations have been satisfied.

Electricity sales contracts are deemed to have a single performance obligation as the promise to transfer individual goods or services is not separately identifiable from other obligations in the contracts and therefore not distinct. These performance obligations are satisfied over time as electricity is delivered because of the continuous transfer of control to the customer. The method of revenue recognition for the electricity is an output method, which is based on the volume delivered to the customer and includes an estimate of electricity deliveries not yet billed at year end. Electricity export sales are recognized upon delivery to the customer and include an estimate of electricity deliveries not yet billed at year end.

Electricity trading revenues are reported on a net basis upon delivery of electricity to the customers and receipt of electricity purchased from external parties. Electricity trading contracts are recorded at fair value.

4. Material accounting policies *(continued)*

Telecommunications

Telecommunications revenue is measured based on the value of the expected consideration in a contract with a customer and excludes sales taxes and other amounts collected on behalf of third parties. Revenue is recognized when control of a product or service is transferred to a customer. When the Corporation's right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, the Corporation recognizes revenue in the amount to which the Corporation has a right to invoice.

For multiple element arrangements, the Corporation accounts for individual products and services when they are separately identifiable, and the customer can benefit from the product or service on its own. The total arrangement consideration is allocated to each product or service included in the contract with the customer based on its stand-alone selling price. Stand-alone selling prices are generally determined based on the observable prices at which the Corporation sells products separately without a service contract and prices for non-bundled service offerings with the same range of services, adjusted for market conditions and other factors, as appropriate. When similar products and services are not sold separately, the Corporation uses the expected cost plus margin approach to determine stand-alone selling prices. Products and services purchased by a customer in excess of those included in the bundled arrangement are accounted for separately.

Wireless revenue is principally generated from providing integrated digital wireless voice and data communications products and services to residential and business customers. For wireless products and services that are sold separately, customers usually pay in full at the point of sale for products and on a monthly basis for services. For wireless products and services sold in multiple element arrangements, customers pay monthly over a contract term of up to 24 months for residential customers and up to 36 months for business customers.

Revenue is also generated from providing data, including internet access and internet protocol television, local telephone, long distance and connectivity, security services and other communications services and products to residential and business customers. Revenue also includes amounts from the Corporation's wholesale business, which sells telecommunication services from or to resellers and other carriers. Revenue is recognized in the period earned, as services are provided, based on access to the Corporation's facilities. Services are paid for monthly except where a billing schedule has been established. Payments received in advance are recorded as contract liabilities and recognized as revenue upon satisfaction of the related performance obligation.

Product revenue from the sale of equipment is recognized when a customer takes possession of the product. Service revenue is recognized over time, as the services are provided. Revenue on certain long-term contracts is recognized using output methods based on products delivered, performance completed to date, time elapsed or milestones met. For multiple element arrangements, stand-alone selling prices are determined using observable prices adjusted for market conditions and other factors, as appropriate, or the expected cost plus margin approach for customized business arrangements.

4. Material accounting policies *(continued)*

Property and casualty insurance

The Corporation's property and casualty insurance policies have all been classified as insurance contracts upon inception. An insurance contract is a contract that transfers significant insurance risk and, upon the occurrence of the insured event, causes the insurer to make a benefit payment to the insured party. The sale of policies generates insurance revenue and are recorded in revenue over the terms of the related policies. The portion of the policy premiums relating to the unexpired term of each policy is recorded within the liability for remaining coverage component of insurance contract liabilities.

A group of insurance contracts is considered onerous if there is a net outflow of fulfilment cash flows, resulting in the expected net outflow being recognized as a loss component in the liability for remaining coverage and a loss is recognized in insurance service expenses immediately.

The Corporation assumes no contracts in a portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise. The Corporation has developed a methodology for identifying indicators of possible onerous contracts, including reviewing forward looking expectations such as budget information and rate indications as well as historical experience.

At each reporting date, if facts and circumstances indicate that a group of insurance contracts is potentially onerous, then the Corporation applies the same analysis it has performed for groups potentially onerous at initial recognition.

Gaming

Revenue from lotteries and gaming consists of revenue from land-based casinos and slot machines, VLTs, online gaming and lotteries. Gaming revenue (slot and VLTs) represents the net win from gaming activities, which is the difference between the amounts wagered and the payouts by the casino. Revenues are net of accruals for anticipated payouts of progressive jackpots. Online gaming revenue generated from online games is recorded in the same period the games are played and it is measured at the fair value of the consideration received or receivable. Net lottery ticket revenue is recorded as of the date of the draw, with the exception of instant lottery tickets which is when the ticket is sold.

The Corporation determined revenue should be recognized on a gross basis for Saskatchewan Indian Gaming Authority (SIGA) as the Corporation is the principal for the slot and online gaming revenue earned under the Casino Operating Agreement.

Customer contributions

The Corporation obtains customer contributions related to the construction of new natural gas, electricity, water and wastewater service connections.

Customer contribution contracts for natural gas and electricity services are deemed to have a single performance obligation. These performance obligations are satisfied at a point in time and recognized in net earnings. The customer contributions are recognized initially as contract liabilities and are recognized into net earnings once the related property, plant and equipment is available for use. The transaction price is the estimated construction charge for the connection. These customer contributions are often subject to refunds over a specified period. An estimate of these refunds remains in deferred revenue until the eligible refund period expires.

4. Material accounting policies *(continued)*

Customer contributions received from water and wastewater customers are recognized initially as contract liabilities when there is reasonable assurance that they will be received and the Corporation will comply with the conditions associated with the customer contract. The contributions are then recognized into net earnings on a systematic basis over the life of the related customer contract. If there is no customer contract in place, the contributions are recognized into revenue on a systematic basis over the life of the related assets.

Other

Revenue from sales of other products is recognized when goods are shipped and title has passed to the customer or based on the right to revenue pursuant to contracts with customers, tenants and clients.

m) Government grants

Conditional government grants are initially measured at fair value and recognized as other liabilities provided that there is reasonable assurance that the grant will be received and the Corporation will comply with the conditions associated with the grant. Grants that compensate the Corporation for expenses incurred are recognized in net earnings in the same period in which the expenses are recognized. Grants that compensate the Corporation for the cost of an asset are capitalized and recognized in net earnings over the useful life of the asset.

n) Foreign currency transactions

Transactions in foreign currencies are translated to Canadian dollars at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Canadian dollars at the exchange rate at that date. Non-monetary assets and liabilities are translated using the exchange rates on the date of the transactions. Foreign currency differences arising on translation are recognized in net earnings.

o) Employee future benefits

The Corporation has three defined benefit pension plans and other plans that provide post-retirement benefits for its employees.

Defined benefit pension plan

A defined benefit pension plan is a post-employment benefit plan in which the Corporation's net obligation is calculated by estimating the discounted amount of future benefit that employees have earned in return for service in the current and prior periods and deducting the fair value of plan assets.

The calculation of the net defined benefit pension obligation or asset is performed annually by qualified actuaries using the projected unit credit method. When the calculation results in a potential asset, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the defined benefit pension plans or reductions in future contributions to the pension plans. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

4. Material accounting policies *(continued)*

Remeasurements of the net defined benefit pension obligation or asset are comprised of actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the asset ceiling (if any, excluding interest), and are recognized immediately in OCI. The net interest expense (income) on the net defined benefit pension plan obligation or asset is determined by applying the discount rate used to measure the defined benefit pension plan obligation or asset at the beginning of the period, to the net defined benefit pension plan obligation or asset, taking into account any changes in the net defined pension plan obligation or asset during the period as a result of contributions and benefit payments. Net interest expense related to the defined benefit pension plans is recognized immediately in net earnings as part of finance expenses.

When the benefits of the defined benefit pension plans are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in net earnings. The Corporation recognizes gains and losses on the settlement of defined benefit pension plans when the settlement occurs.

The discount rate used to determine the benefit obligation and the fair value of plan assets is determined by reference to market interest rates of high-quality debt instruments at the measurement date, with cash flows that match the timing and amount of expected benefit payments.

Other defined benefit plans

The Corporation's obligation in respect of employee future benefits other than pension plans is the discounted estimated amount of future benefit that employees have earned in return for service in the current and prior periods. The discount rate used to determine the benefit obligation is determined by reference to market interest rates at the measurement date of high-quality debt instruments, with cash flows that match the timing and amount of expected benefit payments. The calculation is performed by qualified actuaries using the projected unit credit method. Remeasurements, consisting of actuarial gains and losses, are recognized immediately in OCI. Net interest expense on the other defined benefit obligation is recognized immediately in net earnings as part of finance expenses.

The Corporation has not established a trust nor does it hold property for the specific purpose of providing benefits to the participants of these plans. Benefits are funded by the current operations of the Corporation.

p) Finance income and expenses

Finance income comprises sinking fund earnings, interest income on investments at fair value through profit or loss, gains on sale of investments at fair value through profit or loss, changes in fair value of financial assets at fair value through profit or loss, interest income from defined benefit pension plans, and insurance finance income from the change in carrying amount of the group of insurance contracts.

Finance expenses comprise interest expense on financial liabilities measured at amortized cost, changes in the fair value of financial assets at fair value through profit or loss, accretion expense on provisions less interest capitalized, interest costs on defined benefit pension plans and other defined benefit plans, amounts amortized to net earnings from accumulated other comprehensive loss and, insurance finance expenses from the change in carrying amount of the group of insurance contracts. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset, with a corresponding decrease in financing expenses. On the consolidated statement of cash flows, interest paid is classified as an operating activity, interest received is classified as an investing activity, and dividends paid are classified as a financing activity.

4. Material accounting policies *(continued)*

q) Leases

A contract contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation has assessed its arrangements to determine whether they contain a lease. This includes certain take-or-pay power purchase agreements that give the Corporation the exclusive right to use specific production assets.

Right-of-use assets are initially measured at an amount equal to the lease liability and are adjusted for any payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the related lease term. The Corporation has applied judgment to determine the lease term for contracts that include renewable options. The assessment of whether the Corporation is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized (Notes 14 and 18)

The corresponding lease liability is measured at the present value of the lease payments that are not paid at commencement and are discounted using the Corporation's incremental borrowing rate or the rate implicit in the lease. Each lease payment is allocated between the liability and interest to achieve a constant rate on the finance balance outstanding. The interest component is included in finance expense. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the Corporation's estimate or assessment of whether it will exercise an extension, termination, or purchase option. A compensating adjustment is made to the right-of-use asset or is recorded in net earnings if the carrying amount of the right-of-use asset has been reduced to zero (Notes 14 and 18).

Payments for short-term and low value leases are recognized as an operating expense. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset and are recognized as an expense in the period in which the event or condition that triggers that payment occurs.

r) Assets and liabilities held-for-sale and discontinued operations

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale or transfer rather than continuing use are classified as held-for-sale. Immediately before classification as held-for-sale, the assets (or components of a disposal group) are re-measured in accordance with the Corporation's accounting policies. Thereafter, the assets (or disposal group) are measured at the lower of the carrying amount and the fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, employee future benefit assets, or investment property, which continue to be measured in accordance with the Corporation's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognized in net earnings. Gains are not recognized in excess of cumulative impairment losses.

4. Material accounting policies *(continued)*

A discontinued operation is a component of the Corporation's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held-for-sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of income and statement of comprehensive income (loss) are reclassified as if the operation had been discontinued from the start of the comparative year.

s) New and amended accounting standards not yet adopted

Certain new and amended standards were issued by the International Accounting Standards Board (IASB) and/or International Financial Reporting Interpretations Committee that are not yet effective for the year ended March 31, 2024. The Corporation does not expect these pronouncements to have a significant impact on its financial performance and financial position.

- Classification of liabilities as current or non-current and non-current liabilities with covenants (Amendments to IAS 1);
- Lease liability in a sale and leaseback (Amendments to IFRS 16, *Leases*);
- Supplier finance arrangements (Amendment to IAS 7, *Statement of cash flows* and IFRS 7, *Financial instruments: Disclosures*);
- Lack of exchangeability (Amendments to IAS 21, *The Effect of Changes in Foreign Exchange Rates*); and
- IFRS 18, *Presentation and Disclosure in Financial Statements* (Replaces IAS 1).

5. Status of CIC

CIC was established by Order in Council 535/47 dated April 2, 1947 and is continued under the provisions of *The Crown Corporations Act, 1993*. CIC is an agent of His Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain associates, joint ventures, joint operations and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

Establishment of LGS

Effective April 1, 2023, LGS began as a new commercial Crown corporation. LGS, the subsidiary of CIC consolidates the management oversight for casinos, video lottery terminals (VLTs), lotteries, and online gaming. As part of the new Crown corporation, SGC was reconfigured as a wholly-owned business subsidiary of LGS and will continue to operate the casinos of Regina and Moose Jaw, with no significant changes to overall operations. LGS acquired the net assets of SLGA Holding Inc. from Saskatchewan Liquor and Gaming Authority (SLGA) on June 1, 2023. LGS was assigned responsibility to oversee conduct and management of lottery schemes within Saskatchewan. LGS has recorded Western Canada Lottery Corporation (WCLC) as an associate investment (Note 12).

6. Cash and cash equivalents

(thousands of dollars)

		2024		2023
Cash	$	**515,277**	$	275,118
Short-term investments		**40,860**		41,750
	$	**556,137**	$	316,868

The weighted average interest rate for short-term investments included in cash and cash equivalents at March 31, 2024 was 5.1 per cent (2023 – 4.8 per cent).

7. Investments

(thousands of dollars)

		2024		2023
Short-term investments				
Short-term investments - fair value through profit or loss	$	**96,253**	$	58,163
Loans receivable - amortized cost		**3,228**		168
Bonds and debentures - amortized cost		**44,300**		8,000
Sinking funds – fair value through other comprehensive income (a)		**15,894**		-
	$	**159,675**	$	66,331
Portfolio investments				
Portfolio investments - fair value through profit or loss	$	**625,586**	$	539,353
Bonds, debentures and loans receivable				
Bonds and debentures - fair value through profit or loss		**542,932**		400,733
Bonds and debentures - amortized cost		**-**		36,300
Loans receivable - amortized cost		**37,063**		10,967
		579,995		448,000
Sinking funds - fair value through other comprehensive income (a)		**1,115,705**		1,006,726
	$	**2,321,286**	$	1,994,079

		2024		2023
Securities lending program				
Short-term investments				
Short-term investments - fair value through profit or loss	$	**55,132**	$	98,753
Bonds and debentures				
Bonds and debentures - fair value through profit or loss	$	**289,722**	$	364,920

7. Investments *(continued)*

a) Changes in the carrying amount of sinking funds are as follows (thousands of dollars):

		2024		2023
Sinking funds, beginning of year	$	**1,006,726**	$	998,156
SOCO sinking funds transferred		**-**		(5,317)
Installments		**109,253**		96,715
Earnings		**20,295**		4,509
Redemptions		**(1,636)**		(71,834)
Unrealized losses		**(3,039)**		(15,503)
Sinking funds, end of year	$	**1,131,599**	$	1,006,726
Current portion		**15,894**		-
Long-term portion		**1,115,705**		1,006,726
Sinking funds, end of year	$	**1,131,599**	$	1,006,726

Sinking fund installments due in each of the next five years are as follows (thousands of dollars):

2025	$	117,339
2026		115,839
2027		114,089
2028		113,049
2029		108,949

8. Insurance and reinsurance contracts

(thousands of dollars)

The net carrying amounts of insurance and reinsurance contracts are as follows:

		2024		2023 (Restated – Note 3)
Liability for remaining coverage	$	**254,841**	$	225,916
Liability for incurred claims		**824,210**		768,447
Insurance contract liabilities		**1,079,051**		994,363
Asset for remaining coverage		**12,294**		8,960
Asset for incurred claims		**49,991**		46,571
Reinsurance contract assets		**62,285**		55,531
Net insurance and reinsurance contracts	$	**1,016,766**	$	938,832

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9. Financial and insurance risk management

Financial risk management

The Corporation is exposed to market risk (power generation, natural gas sales, equity prices, sinking funds, foreign exchange rates, and interest rates), credit risk, and liquidity risk. The Corporation utilizes a number of financial instruments to manage market risk. The Corporation mitigates these risks through policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are estimates using present value and other valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk.

Therefore, due to the use of judgement and future-oriented information, aggregate fair value amounts should not be interpreted as being realizable in an immediate settlement of the instruments.
(thousands of dollars)

		2024		2023 (Restated – Note 3)	
Financial Instruments	**Classification**	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	FVTPL	**$ 556,137**	**$ 556,137**	$ 316,868	$ 316,868
Accounts receivable	AC	**957,449**	**957,449**	837,812	837,812
Derivative financial assets	FVTPL	**17,584**	**17,584**	75,004	75,004
Investments	FVTPL	**1,609,625**	**1,609,625**	1,461,922	1,461,922
Investments - sinking funds	FVOCI	**1,131,599**	**1,131,599**	1,006,726	1,006,726
Investments	AC	**84,591**	**84,591**	55,435	55,435
Financial Liabilities					
Bank indebtedness	FVTPL	**2,469**	**2,469**	-	-
Trade and other payables	AC	**1,364,272**	**1,364,272**	1,193,475	1,193,475
Derivative financial liabilities	FVTPL	**48,786**	**48,786**	61,919	61,919
Notes payable	AC	**1,403,372**	**1,403,372**	1,305,512	1,305,512
Long-term debt	AC	**11,171,917**	**10,405,131**	10,239,347	9,707,718

		2024		2023	
Derivative Instruments	Classification	**Asset**	**(Liability)**	Asset	(Liability)
Physical natural gas contracts	FVTPL	**$ 11,376**	**$ (26,029)**	$ 56,352	$ (36,851)
Natural gas price swaps	FVTPL	**6,208**	**(22,757)**	18,304	(25,068)
Foreign exchange forward contracts	FVTPL	**-**	**-**	348	-
		$ 17,584	**$ (48,786)**	$ 75,004	$ (61,919)

Classification details are:

FVTPL - fair value through profit or loss
FVOCI - fair value through other comprehensive income
AC - amortized cost

9. Financial and insurance risk management *(continued)*

a) Fair value hierarchy

Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 - Unadjusted quoted prices for identical assets or liabilities are readily available from an active market. The Corporation defines an active market based on the frequency of valuation, any restrictions or illiquidity on disposition of the underlying asset or liability, and trading volumes.
Level 2 - Inputs, other than quoted prices included in level 1, that are observable either directly or indirectly.
Level 3 - Inputs are not based on observable market data.

The Corporation's financial instruments are categorized within this hierarchy as follows (thousands of dollars):

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 556,137**	**$ -**	**$ -**	**$ 556,137**
Bank indebtedness	**2,469**	**-**	**-**	**2,469**
Notes payable	**-**	**1,403,372**	**-**	**1,403,372**
Investments - FVTPL	**339,867**	**984,039**	**285,719**	**1,609,625**
Investments - FVOCI	**-**	**1,131,599**	**-**	**1,131,599**
Investments - AC	**-**	**84,591**	**-**	**84,591**
Long-term debt	**-**	**10,405,131**	**-**	**10,405,131**
Physical natural gas contracts - net	**-**	**(14,653)**	**-**	**(14,653)**
Natural gas price swaps - net	**-**	**(16,549)**	**-**	**(16,549)**

	2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 316,868	$ -	$ -	$ 316,868
Bank indebtedness	-	-	-	-
Notes payable	-	1,305,512	-	1,305,512
Investments - FVTPL	298,113	922,569	241,240	1,461,922
Investments - FVOCI	-	1,006,726	-	1,006,726
Investments - AC	-	55,764	-	55,764
Long-term debt	-	9,707,718	-	9,707,718
Physical natural gas contracts - net	-	19,501	-	19,501
Natural gas price swaps - net	-	(6,764)	-	(6,764)
Foreign exchange forward contracts - net	-	348	-	348

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9. Financial and insurance risk management *(continued)*

The changes in level 3 investments carried at fair value are as follows (thousands of dollars):

	2024	2023
Balance, beginning of year	$ 241,240	$ 224,474
Unrealized gains (losses) attributable to assets held at the end of the year included in impairment losses	1,141	(1,595)
Purchases	69,338	18,361
Sales	(26,000)	-
Balance, end of year	$ 285,719	$ 241,240

During the year, no investments were transferred between levels.

Investments

i) Categorized as level 2

Investments categorized as level 2 in the hierarchy include sinking funds, bonds, and debentures.

The fair value of sinking funds is determined by the Saskatchewan Ministry of Finance, using a market approach, with information provided by investment dealers. To the extent possible, valuations reflect indicative secondary pricing for these securities. In all other circumstances, valuations are determined with reference to similar actively traded instruments.

The fair value of bonds and debentures is derived from market price data for same or similar instruments obtained from the investment custodian, investment managers or dealer markets.

ii) Categorized as level 3

Determining fair value for the Corporation's level 3 investments, which are not publicly traded and recorded at fair value through profit or loss, requires application of professional judgement and use of estimates. Significant assumptions used by the Corporation to estimate include the timing and amount of future cash flows, anticipated economic outlook for the investee's industry, impact of pending or potential regulation or legislation, forecast consumer tastes, emergence of substitute products, anticipated fluctuations in commodities prices, and macro-economic demand.

Significant aspects of professional judgement include selecting an appropriate valuation approach, determining a range of appropriate risk-adjusted rates of return for a series of cash flows, and assessing the risk inherent in cash flows, the probabilities of micro and macro-economic variables occurring, and probabilities of potentially significant company, industry, or economic factors occurring or failing to occur as the case may be.

9. Financial and insurance risk management *(continued)*

Level 3 includes a pooled mortgage fund and a pooled real estate fund. The fair value of these investments is based on the Corporation's share of the net asset value of the respective fund, as determined by its investment manager, and used to value purchases and sales of units in the investments. The fair value for the pooled mortgage fund is determined based on market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgages (using spread-based pricing over Government of Canada bonds with a similar term to maturity), subject to adjustments for liquidity and credit risk. The fair value of the pooled real estate fund is determined based on the most recent appraisals of the underlying properties. Real estate properties are appraised semi-annually by external, independent professional real estate appraisers who are accredited through the Appraisals Institute of Canada. Real estate appraisals are performed in accordance with generally accepted appraisal standards and procedures and are based primarily on the discounted cash flow and income capitalization methods.

Where evidence of a recent arm's length transaction has occurred in the shares of an unlisted equity position held by the Corporation, the Corporation considers such a transaction to generally provide a good indication of fair value. Where a recent arm's length transaction has not occurred, or secondary indicators exist which would question the applicability of a recent transaction, the Corporation considers alternative valuation methodologies. These methods are primarily focused on the projected earnings or cash flows of the business, discounted to present value by applying a discount rate which appropriately reflects industry and company specific risk factors.

In circumstances where fair value cannot be estimated reliably, a level 3 investment is reported at the carrying value at the previous reporting date unless there is evidence that the investment has since been impaired. All recorded values of investments are reviewed at each reporting date for any indication of impairment and adjusted accordingly.

Long-term debt

The fair value of long-term debt is determined using an income approach. Fair values are estimated using the present value of future cash flows, discounted at the market rate of interest for the equivalent Province of Saskatchewan debt instruments.

Derivative financial assets and liabilities

The fair value of electricity-related derivatives, physical natural gas contracts and natural gas price swaps are determined using a market approach. The Corporation obtains quoted market prices from sources such as the New York Mercantile Exchange, the Natural Gas Exchange, independent price publications, and over-the-counter broker quotes. Where contract prices are referenced to an index price that has been fixed, the market price has been used to estimate the contract price.

Other financial assets and liabilities

Other financial assets and liabilities including accounts receivable and trade and other payables have not been classified in the fair value hierarchy given that carrying value approximates fair value due to immediate or short-term maturity.

9. Financial and insurance risk management *(continued)*

b) Unrealized gains on financial instruments

Depending on the nature of the derivative instrument and market conditions, the change in fair value of derivative financial assets and derivative financial liabilities is recorded in net earnings as either revenue or operating expenses. The impact of unrealized gains on net earnings is as follows (thousands of dollars):

	2024	2023
Revenue	**$ (4,807)**	$ 39,561
Operating expenses	**(29,347)**	(104,092)
Decrease in net earnings	**$ (34,154)**	$ (64,531)

c) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return. The Corporation manages the following market risks:

Power generation

The Corporation is exposed to natural gas price risk through natural gas purchased for its natural gas-fired power plants and through certain PPAs that have a cost component based on the market price of natural gas. As at March 31, 2024, the Corporation had entered into financial and physical natural gas contracts to price manage the following approximate percentages of its budgeted power generations natural gas purchases:

2025	44.0%
2026	33.0%
2027	18.0%
2028	5.0%
2029	2.0%

As at March 31, 2024, the Corporation held the following instruments to hedge exposures to changes in natural gas price risk:

	1 year	2-5 years	More than 5 years
Natural gas hedges			
Net exposure – loss (millions)	**$ (16.0)**	**$ (1.0)**	**$ -**
Total outstanding gigajoules (GJ) (millions)	**15.0**	**17.0**	**-**
Weighted average hedged price per GJ	**$ 3.30**	**$ 3.32**	**$ -**
Weighted average forward market price per GJ	**$ 2.17**	**$ 3.30**	**$ -**

Based on the Corporation's year-end closing positions, a $1 per GJ increase in natural gas prices would have increased net earnings, through an increase in the fair value of natural gas derivative instruments, by $30.0 million (2023 - $31.0 million). Conversely a $1 per GJ decrease would have decreased net earnings by $30.0 million (2023 - $31.0 million). This sensitivity analysis does not represent the underlying exposure to changes in the price of natural gas on the remaining forecasted power generation natural gas purchases which are unhedged as at March 31, 2024.

9. Financial and insurance risk management *(continued)*

Natural gas sales

The Corporation purchases natural gas for resale to its customers. While natural gas is purchased at fluctuating market prices, the Corporation sells natural gas to customers at a fixed commodity rate that is reviewed semi-annually. As part of its natural gas price risk management, the Corporation uses derivative instruments to manage the price of the natural gas it buys. The Corporation's objective is to reduce the volatility of natural gas prices and to have natural gas rates that are competitive to other utilities. The Corporation also purchases and sells natural gas in the open market to generate incremental net earnings through its natural gas marketing activities.

The purchase or sale price of natural gas may be fixed within the contract or referenced to a floating index price. When the price is referenced to a floating index price, natural gas derivative instruments may be used to fix the settlement amount. The types of natural gas derivative instruments the Corporation may use for price risk management include natural gas price swaps, options, swaptions, and forward contracts.

The Corporation's commodity price risk management strategy establishes specific hedging targets, which may differ depending on current market conditions, to guide natural gas risk management activities. Additionally, the Corporation uses mark-to-market value, value at risk (VaR), and net exposure to monitor natural gas price risk.

Based on the Corporation's year-end closing positions, a $1 per GJ increase in natural gas prices would have increased net earnings, through an increase in the fair value of natural gas derivative instruments, by $35.0 million (2023 - $183.0 million). Conversely, a $1 per GJ decrease would have decreased net earnings by $35.0 million (2023 - $183.0 million).

Equity price risk

The Corporation is exposed to changes in equity prices in Canadian and global markets. The fair value of these equities at March 31, 2024 was $339.9 million (2023 - $298.1 million). Individual stock holdings are diversified by geography, industry type, and corporate entity. No one investee or related group of investees represents greater than 10.0 per cent of the market value of the Corporation's common share portfolio. As well, no one holding represents more than 10.0 per cent of the voting shares of any corporation.

The Corporation's equity price risk is assessed using VaR to measure the potential change in the value of an asset class. The VaR has been calculated based on volatility over a four-year period, using a 95.0 per cent confidence level. As such, it is expected that the annual change in the portfolio market value will fall within the range outlined in the following table 95.0 per cent of the time (19 times out of 20).

			2024			2023
Asset Class						
(thousands of dollars)						
Canadian equities	**+/-**	**$**	**27,619**	+/-	$	24,935
Global equities	**+/-**		**60,247**	+/-		52,575
Global small cap equities	**+/-**		**15,241**	+/-		12,491

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9. Financial and insurance risk management *(continued)*

Interest rate risk

The Corporation is exposed to interest rate risk arising from fluctuations in interest rates on short-term and long-term debt. Interest rate risk is managed by having an appropriate mix of fixed and floating rate debt. When deemed appropriate, the Corporation may use derivative financial instruments to manage interest rate risk. A change in interest rates of 100 basis points would have a $11.9 million impact on net earnings (2023 - $11.5 million).

The Corporation has on deposit with the GRF, under the administration of the Saskatchewan Ministry of Finance, $1,131.6 million (2023 - $1,006.7 million) in sinking funds required for certain long-term debt issues. At March 31, 2024, the Ministry of Finance has invested these funds primarily in Provincial and Federal government bonds with varying maturities to coincide with related debt maturities and are managed based on this maturity profile and market conditions. The Corporation is exposed to interest rate risk on the sinking funds. Assuming all other variables remain constant at March 31, 2024, a change in interest rates of 100 basis points per cent would have an $94.9 million impact on the fair value of the sinking funds (2023 - $84.8 million).

The Corporation is exposed to changes in interest rates in its fixed income investments, including short-term investments, bonds, debentures, and pooled mortgage investments. It is estimated that a change in interest rates of 100 basis points per cent would result in $27.2 million impact on net earnings (2023 - $26.1 million).

The impact that a change in interest rates has on investment income would be partially offset by the impact that a change in interest rates has on discounting of insurance liabilities. It is estimated that a 1.0 per cent increase in discounting interest rates would result in increased net earnings of $16.6 million (2023 - $14.5 million). Conversely, a 1.0 per cent decrease in discounting interest rates would decrease net earnings by $17.9 million (2023 - $15.5 million).

d) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Corporation does not have material concentrations of credit risk given that the majority of accounts receivable are diversified among many residential, farm and commercial customers primarily throughout Saskatchewan.

In addition, the Corporation maintains credit policies and limits to mitigate credit risk related to short-term investments, bonds, debentures, loans, notes receivable, leases receivable and counterparties to derivative instruments.

9. Financial and insurance risk management *(continued)*

The carrying amount of financial assets represents the maximum credit exposure as follows (thousands of dollars):

		2024		2023 (Restated – Note 3)
Cash and cash equivalents	$	**556,137**	$	316,868
Short-term investments		**214,807**		165,084
Accounts receivable		**957,449**		837,812
Derivative financial assets		**17,584**		75,004
Investments - FVTPL		**1,458,240**		1,305,006
Investments - FVOCI		**1,115,705**		1,006,726
Investments - AC		**37,063**		47,267
	$	**4,356,985**	$	3,753,767

The allowance for credit loss, which provides an indication of potential impairment losses, is reviewed quarterly based on an analysis of the aging of accounts receivable and an estimate of outstanding amounts that are considered to be uncollectible. Historically, the Corporation has not written off a significant portion of its accounts receivable balances.

The allowance for credit loss and the aging of accounts receivable are detailed as follows (thousands of dollars):

		2024		2023 (Restated – Note 3)
Credit loss allowance				
Opening balance	$	**41,518**	$	32,817
SOCO allowance for credit loss		**-**		(105)
Accounts written off and other		**(20,148)**		(12,524)
Recoveries		**1,518**		1,390
Provision for losses		**15,434**		19,940
Ending balance	$	**38,322**	$	41,518

		2024		2023 (Restated – Note 3)
Accounts receivable				
Current	$	**882,620**	$	774,192
30-59 Days		**35,053**		30,015
60-89 Days		**12,133**		10,388
Greater than 90 Days		**65,965**		64,735
Gross accounts receivable		**995,771**		879,330
Credit loss allowance		**(38,322)**		(41,518)
	$	**957,449**	$	837,812

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9. Financial and insurance risk management *(continued)*

e) Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its financial commitments as they become due. CIC is a provincial Crown corporation and as such has access to capital markets through the GRF. The Corporation, through its diversified holdings and capital allocation and dividend policies, can allocate resources to ensure that all financial commitments made are met.

Where necessary, the Corporation can borrow funds from the GRF, adjust dividend rates, obtain or make grants, or be provided with or provide equity injections to manage liquidity issues.

The following summarizes the contractual maturities of the Corporation's financial liabilities at March 31, 2024 (thousands of dollars):

	Carrying Amount	**Total**	**0-6 Months**	**7-12 Months**	**1-2 Years**	**3-5 Years**	**More than 5 Years**
Long-term debt[1]	**$ 11,171,917**	**$ 18,909,901**	**$ 489,588**	**$ 209,692**	**$ 737,292**	**$ 1,890,517**	**$15,582,812**
Trade and other payables	**1,364,272**	**1,364,272**	**1,355,964**	**-**	**7,213**	**-**	**1,095**
Derivative financial liabilities[2]	**48,786**	**81,082**	**59,924**	**-**	**7,018**	**14,140**	**-**
Other liabilities[3]	**2,230,051**	**2,258,521**	**1,638,812**	**137,981**	**137,879**	**187,998**	**155,851**
	$ 14,815,026	**$ 22,613,776**	**$ 3,544,288**	**$ 347,673**	**$ 889,402**	**$ 2,092,655**	**$15,739,758**

The Corporation anticipates generating sufficient cash flows through operations or credit facilities to support these contractual cash flows.

The following summarizes the contractual maturities of the Corporation's financial liabilities (including liabilities held-for-sale) at March 31, 2023 (Restated – Note 3) (thousands of dollars):

	Carrying Amount	Total	0-6 Months	7-12 Months	1-2 Years	3-5 Years	More than 5 Years
Long-term debt[1]	$ 10,239,347	$ 17,361,876	$ 276,959	$ 194,373	$ 728,952	$ 1,472,967	$14,688,625
Trade and other payables	1,193,475	1,193,475	1,192,380	-	-	-	1,095
Derivative financial liabilities[2]	61,919	126,462	93,952	9,004	23,338	168	-
Other liabilities[3]	2,156,529	2,153,379	1,577,506	152,125	115,201	171,765	136,782
	$ 13,651,270	$ 20,835,192	$ 3,140,797	$ 355,502	$ 867,491	$ 1,644,900	$14,826,502

[1] Contractual cash flows for long-term debt include principal and interest payments, but exclude sinking fund installments.
[2] The terms and conditions of certain derivative financial instrument contracts require the Corporation to provide collateral when the fair value of the obligation pursuant to these contracts is in excess of credit limits granted. As at March 31, 2024 and March 31, 2023, the Corporation has provided no collateral for these contracts.
[3] Other liabilities include: bank indebtedness, notes payable, and liability for incurred claims.

9. Financial and insurance risk management *(continued)*

Insurance risk management

Insurance risk arises with respect to the adequacy of the Corporation's insurance premium rates and provision for unpaid claims (consisting of underwriting and actuarial risks).

f) Underwriting risk

The Corporation manages its insurance risk through its underwriting and reinsurance strategies within an overall strategic planning process. Pricing is based on assumptions about past experiences and trends. Exposures are managed by having documented underwriting limits and criteria, product and geographic diversification and reinsurance.

i) Diversification

The Corporation's exposure to concentration risk related to summer storms and other related events is mitigated by selection and implementation of underwriting strategies and diversification across product lines. The concentration of insurance risk by portfolio is summarized below by reference to the liability for insured claims and asset for reinsured claims. It does not include the asset and liability for remaining coverage. (thousands of dollars):

	Insurance Liabilities		Reinsurance Assets		Net	
	2024	2023 (restated)*	**2024**	2023 (restated)*	**2024**	2023 (restated)*
Farm	**$ 52,658**	$ 61,143	**$ 981**	$ 1,192	**$ 51,677**	$ 59,951
Personal auto	**351,864**	317,641	**15,778**	15,898	**336,086**	301,743
Commercial auto	**75,182**	60,477	**9,758**	6,532	**65,424**	53,945
Personal property and liability	**165,881**	149,973	**9,958**	12,510	**155,923**	137,463
Commercial property and liability	**154,474**	152,971	**11,816**	10,243	**142,658**	142,728
Managed general agreements	**27,355**	23,657	**-**	-	**27,355**	23,657
Portfolio totals	**827,414**	765,862	**48,291**	46,375	**779,123**	719,487
Other reconciliation items:						
Risk adjustment	**66,702**	59,198	**4,275**	1,760	**62,427**	57,438
Discounting	**(89,227)**	(74,147)	**(2,575)**	(1,564)	**(86,652)**	(72,583)
Residual claims	**1,138**	1,141	**-**	-	**1,138**	1,141
Risk sharing pool	**18,183**	16,393	**-**	-	**18,183**	16,393
Total	**$ 824,210**	$ 768,447	**$ 49,991**	$ 46,571	**$ 774,219**	$ 721,876

*Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations.

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9. Financial and insurance risk management *(continued)*

ii) Reinsurance

The Corporation seeks to reduce losses that may arise from catastrophes or other events that cause unfavourable underwriting results by reinsuring certain levels of risk with other insurers. While the Corporation utilizes reinsurance, it is still exposed to reinsurance risk. Reinsurance risk is the risk of financial loss due to inadequacies in reinsurance coverage or the default of a reinsurer. The Corporation evaluates and monitors the financial condition of its reinsurers to minimize its exposure to significant losses from reinsurer insolvency. The policy of underwriting and reinsuring insurance contracts limits the liability of the Corporation to a maximum amount for any one loss as follows (thousands of dollars):

	2024	2023
Dwelling and farm property	**$ 2,000**	$ 1,750
Unlicensed vehicles	**2,000**	1,750
Commercial property	**2,000**	1,750
Automobile and general liability	**1,750**	1,750

In addition, the Corporation carries property and auto physical damage catastrophe reinsurance limiting combined exposure to $30.0 million per event subject to an annual aggregate deductible of $30.0 million.

iii) Structured settlements

The Corporation settles some long-term disability claims by purchasing annuities from various financial institutions. The settlements legally release the Corporation from its obligations to the claimants. Consequently, neither the annuities purchased, nor the claim liabilities are recognized on the consolidated statement of financial position. However, as part of the settlement, the Corporation provides a financial guarantee to the claimants in the event the life insurers default on the scheduled payments and is thus exposed to credit risk to the extent any of the life insurers fail to fulfill their obligations. As at March 31, 2024, no information has come to the Corporation's attention that would suggest any weakness or failure in the life insurers from which it has purchased annuities. The net present value of the scheduled payments at March 31, 2024 is $60.1 million (2023 - $59.4 million). The net risk to the Corporation is the credit risk related to the life insurance companies that the annuities are purchased from. No defaults have occurred, and the Corporation considers the possibility of default to be remote.

g) Actuarial risk

The establishment of net liability for incurred claims is based on known facts and an interpretation of circumstances and is therefore a complex process influenced by a variety of factors. Measurement is uncertain due to claims that are not reported to the Corporation at year-end and therefore estimates are made as to the value of these claims. As well, uncertainty exists regarding the cost of reported claims that have not been settled, as all the necessary information may not be available at year-end.

9. Financial and insurance risk management *(continued)*

The significant assumptions used to estimate the liability for incurred claims include: the Corporation's experience with similar cases, historical claim payment trends and claim development patterns, the characteristics of each class of business, claim severity and frequency, the effect of inflation on future claim settlement costs, court decisions and economic conditions. Time is also a critical factor in determining the liability, since the longer it takes to settle and pay a claim, the more variable the ultimate settlement amount will be. Accordingly, short-term claims such as physical damage or collision claims tend to be more reasonably predictable than long-term claims such as liability claims.

As a result, the establishment of the net liability for incurred claims relies on several factors, which necessarily involves risk that the actual results may differ materially from the estimates.

The following summarizes the Corporation's sensitivity to changes in best estimate assumptions on the liability for incurred claims and net earnings. It is not possible to quantify the sensitivity to certain assumptions such as legislative changes or uncertainty in the estimation process. The analysis is performed for possible movements in the assumptions with all other assumptions held constant, showing the impact on net earnings. Movements in these assumptions may be non-linear and may be correlated with one another. (thousands of dollars):

			2024			**2023 (Restated – Note 3)**	
Assumption	**Sensitivity**	**Direct**	**Ceded**	**Net**	**Direct**	**Ceded**	**Net**
Discount rate	1.0 per cent increase	**$ 17,178**	$ 532	**$ 16,646**	**$ 14,773**	$ 288	$ 14,485
Discount rate	1.0 per cent decrease	**(18,456)**	(558)	**(17,898)**	**(15,849)**	(304)	(15,545)
Reserves	5.0 per cent increase/decrease	**41,210**	2,522	**38,688**	**38,893**	2,021	36,872

10. Inventories

(thousands of dollars)

	2024	2023
Raw materials	**$ 357,537**	$313,421
Natural gas in storage held-for-resale	**13,214**	14,669
Finished goods	**44,744**	29,858
Work-in-progress	**6,501**	4,363
	$ 421,996	$362,311

For the year ended March 31, 2024, $399.2 million (2023 - $542.3 million) of natural gas in storage held-for-resale, and $613.8 million (2023 - $569.6 million) of raw materials inventory and other inventory were consumed. The Corporation recognized a $2.0 million write-down of natural gas in storage held-for-resale, raw materials and other inventory (2023 - $7.9 million write-down).

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11. Contract assets and costs

(thousands of dollars)

	Contract assets	Contract costs	Total
Balance at April 1, 2023	**$ 101,286**	**$ 73,164**	**$ 174,450**
Recognized in the current year	102,947	22,247	**125,194**
Amortization	(92,783)	(24,445)	**(117,228)**
Terminations	(6,344)	(786)	**(7,130)**
Impairment allowance	(241)	-	**(241)**
Balance at March 31, 2024	**104,865**	**70,180**	**175,045**
Current	**(76,220)**	**(22,418)**	**(98,638)**
Non-current	**$ 28,645**	**$ 47,762**	**$ 76,407**

	Contract assets	Contract costs	Total
Balance at April 1, 2022	$ 104,573	$ 75,403	$ 179,976
Recognized in the current year	96,809	21,335	118,144
Amortization	(93,352)	(22,705)	(116,057)
Terminations	(6,663)	(869)	(7,532)
Impairment recovery	(81)	-	(81)
Balance at March 31, 2023	101,286	73,164	174,450
Current	(72,727)	(19,991)	(92,718)
Non-current	$ 28,559	$ 53,173	$ 81,732

12. Investments in equity accounted investees

(thousands of dollars)

Associates

	Principal Place of Business	Reporting Date	Ownership Interest 2024	Ownership Interest 2023	Carrying Value 2024	Carrying Value 2023
ISC (a)	Canada	December 31	**29.9%**	30.7%	**$ 120,229**	$ 119,207
WCLC (b)	Canada	March 31	N/A	N/A	**$ 14,522**	$ -

	2024	2023
Current assets	**$ 147,997**	$ 48,458
Non-current assets	**770,399**	450,059
Current liabilities	**(195,020)**	(35,688)
Non-current liabilities	**(304,106)**	(76,499)
Net assets	**419,270**	386,330
Interest owned by other entities	**(284,519)**	(267,123)
Share of net assets	**$ 134,751**	$ 119,207

	2024	2023
Revenue	**$ 1,944,818**	$ 195,402
Expenses	**(1,900,096)**	(164,113)
Net earnings	**44,722**	31,289
Interest owned by other entities	**(24,187)**	(21,314)
Share of results	**$ 20,535**	$ 9,975

a) The Corporation is associated with Information Services Corporation (ISC), which provides registry and information services in Saskatchewan. The fair value of ISC shares was $150.2 million at March 31, 2024 (2023 - $119.4 million). The shares are publicly traded on the Toronto Stock Exchange under the symbol ISV.

b) The Corporation is associated with Western Canada Lottery Corporation (WCLC). WCLC operates VLTs located throughout the province for LGS.

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13. Property, plant and equipment

(thousands of dollars)

	Machinery and Equipment	Buildings and Improvements	Plant Under Construction	Land, Coal Properties and Rights	Total
Cost					
Balance at April 1, 2022	$ 23,445,560	$ 2,753,913	$ 854,228	$ 342,843	**$ 27,396,544**
Additions	949,419	70,620	1,493,780	3,633	**2,517,452**
Disposals	(392,587)	(9,402)	(2,006)	(18)	**(404,013)**
Transfers (a)	(568)	18,530	(948,506)	-	**(930,544)**
Balance at March 31, 2023	**$ 24,001,824**	**$ 2,833,661**	**$ 1,397,496**	**$ 346,458**	**$ 28,579,439**
Acquisitions through the establishment of LGS (b)	210,576	-	-	-	**210,576**
Additions	1,290,784	272,903	1,776,239	21,118	**3,361,044**
Disposals	(334,770)	(32,859)	(1,770)	(327)	**(369,726)**
Transfers (a)	(239,040)	7,043	(1,301,915)	-	**(1,533,912)**
Balance at March 31, 2024	**$ 24,929,374**	**$ 3,080,748**	**$ 1,870,050**	**$ 367,249**	**$ 30,247,421**
Accumulated Depreciation					
Balance at April 1, 2022	$ 10,793,863	$ 1,032,100	$ -	$ 45,129	**$ 11,871,092**
Depreciation expense	770,465	80,090	-	3,560	**854,115**
Disposals	(348,952)	(3,659)	-	(17)	**(352,628)**
Impairment recoveries	-	(420)	-	-	**(420)**
Balance at March 31, 2023	**$ 11,215,376**	**$ 1,108,111**	**$ -**	**$ 48,672**	**$ 12,372,159**
Acquisitions through the establishment of LGS (b)	125,892	738	-	-	**126,630**
Depreciation expense	796,907	82,974	-	3,801	**883,682**
Disposals	(316,772)	(6,418)	-	(107)	**(323,297)**
Transfers (a)	(150)	-	-	-	**(150)**
Impairment losses (recoveries)	2,917	(221)	-	-	**2,696**
Balance at March 31, 2024	**$ 11,824,170**	**$ 1,185,184**	**$ -**	**$ 52,366**	**$ 13,061,720**
Carrying Amounts					
At March 31, 2023	$ 12,786,448	$ 1,725,550	$ 1,397,496	$ 297,786	$ 16,207,280
At March 31, 2024	**$ 13,105,204**	**$ 1,895,564**	**$ 1,870,050**	**$ 314,883**	**$ 17,185,701**

a) Transfers to/from assets held-for-sale, right-of-use-assets, investment property, intangibles, and/or within categories of property, plant and equipment.

b) Acquisition of assets from LGS Holdings Inc. as of June 1, 2023.

14. Right-of-use assets

(thousands of dollars)

	Machinery and Equipment	Buildings and Improvements	Land, Coal, Properties and Rights	Power Purchase Agreements	Total
Cost					
Balance at April 1, 2022	$ 37,879	$ 80,038	$ 20,481	$ 1,017,108	**$ 1,155,506**
Additions	11,162	4,549	1,039	-	**16,750**
Transfers (a)	(3,026)	-	-	-	**(3,026)**
Retirements and adjustments	(1,770)	(13,609)	(302)	-	**(15,681)**
Balance at March 31, 2023	**$ 44,245**	**$ 70,978**	**$ 21,218**	**$ 1,017,108**	**$ 1,153,549**
Acquisitions through the establishment of LGS (b)	-	62	-	-	**62**
Additions	12,335	10,210	3,774	-	**26,319**
Transfers (a)	(2,753)	-	-	-	**(2,753)**
Retirements and adjustments	(3,472)	(8,355)	(3,077)	-	**(14,904)**
Balance at March 31, 2024	**$ 50,355**	**$ 72,895**	**$ 21,915**	**$ 1,017,108**	**$ 1,162,273**
Accumulated Depreciation					
Balance at April 1, 2022	$ 16,503	$ 25,657	$ 4,118	$ 515,041	**$ 561,319**
Depreciation expense	8,523	8,938	1,511	48,035	**67,007**
Transfers (a)	(1,967)	-	-	-	**(1,967)**
Retirements and adjustments	(1,606)	(5,348)	(187)	-	**(7,141)**
Balance at March 31, 2023	**$ 21,453**	**$ 29,247**	**$ 5,442**	**$ 563,076**	**$ 619,218**
Acquisitions through the establishment of LGS (b)	-	33	-	-	**33**
Depreciation expense	7,722	8,023	1,520	48,036	**65,301**
Transfers (a)	(1,862)	-	-	-	**(1,862)**
Retirements and adjustments	(3,414)	(7,681)	(108)	-	**(11,203)**
Balance at March 31, 2024	**$ 23,899**	**$ 29,622**	**$ 6,854**	**$ 611,112**	**$ 671,487**
Carrying Amounts					
At March 31, 2023	$ 22,792	$ 41,731	$ 15,776	$ 454,032	$ 534,331
At March 31, 2024	**$ 26,456**	**$ 43,273**	**$ 15,061**	**$ 405,996**	**$ 490,786**

a) Transfers to/from assets held-for-sale, property, plant, and equipment, investment property, intangibles, and/or within categories of right-of-use assets.

b) Acquisition of assets from LGS Holdings Inc. as of June 1, 2023.

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15. Intangible assets

(thousands of dollars)

	Development Costs and Software (a)	Indefinite Life (a)	Total
Cost			
Balance at April 1, 2022	$ 864,068	$ 267,280	**$ 1,131,348**
Acquisitions - internally developed	5,667	-	**5,667**
Disposals	(49,260)	-	**(49,260)**
Transfers (b)	340	-	**340**
Acquisitions - other	48,529	3,869	**52,398**
Balance at March 31, 2023	**$ 869,344**	**$ 271,149**	**$ 1,140,493**
Acquisitions - internally developed	6,297	-	**6,297**
Disposals	(211,685)	-	**(211,685)**
Transfers (b)	(6,440)	-	**(6,440)**
Acquisitions - other	74,179	3,225	**77,404**
Balance at March 31, 2024	**$ 731,695**	**$ 274,374**	**$ 1,006,069**
Accumulated Amortization			
Balance at April 1, 2022	$ 581,201	$ -	**$ 581,201**
Amortization expense	88,566	-	**88,566**
Disposals	(48,806)	-	**(48,806)**
Balance at March 31, 2023	**$ 620,961**	**$ -**	**$ 620,961**
Amortization expense	76,796	-	**76,796**
Disposals	(210,535)	-	**(210,535)**
Transfer (b)	97	-	**97**
Balance at March 31, 2024	**$ 487,319**	**$ -**	**$ 487,319**
Carrying Amounts			
At March 31, 2023	$ 248,383	$ 271,149	$ 519,532
At March 31, 2024	**$ 244,376**	**$ 274,374**	**$ 518,750**

a) Impairment testing for the cash-generating unit (CGU) containing indefinite-life intangible assets (spectrum licenses) and recoverability testing of finite-life intangible assets under development. In performing its impairment test, the Corporation determined the recoverable amount of its single CGU using fair value less costs to sell. In estimating fair value less costs to sell, the Corporation determined an Enterprise Value (EV) to earnings before interest, taxes, depreciation and amortization (EBITDA) multiple based on the EV to EBITDA multiples of comparable companies that are listed on exchanges and actively traded, adjusted for a demonstrable control premium. This fair value measurement is considered to be a level 3 measurement.

b) Transfers to/from property, plant, and equipment, right-of-use-assets, and/or within categories of intangibles.

16. Notes payable

Notes payable are due to the GRF. These notes are due on demand and have an effective interest rate of 5.3 per cent (2023 - 4.5 per cent).

17. Provisions

(thousands of dollars)

	Decommissioning Provisions (a)	**Environmental Remediation (b)**	**Total**
Balance at April 1, 2023	**$ 437,751**	**$ 125,218**	**$ 562,969**
Recovery of decommissioning and environmental remediation liabilities	(537)	(3,753)	**(4,290)**
Other provisions made	137	249	**386**
Provisions used	(17,005)	(862)	**(17,867)**
Provisions reversed	(14,405)	-	**(14,405)**
Accretion expense	18,587	56	**18,643**
Balance at March 31, 2024	**424,528**	**120,908**	**545,436**
Current	**(7,523)**	**-**	**(7,523)**
Non-current	**$ 417,005**	**$ 120,908**	**$ 537,913**

	Decommissioning Provisions (a)	Environmental Remediation (b)	Total
Balance at April 1, 2022 (Restated)*	$ 423,294	$ 115,831	$ 539,125
Provision for decommissioning and environmental remediation liabilities	21,823	9,672	31,495
Other provisions made	5,807	68	5,875
Provisions used	(12,043)	(353)	(12,396)
Provisions reversed	(14,930)	-	(14,930)
Accretion expense	13,800	-	13,800
Balance at March 31, 2023 (Restated)*	437,751	125,218	562,969
Current	-	-	-
Non-current	$ 437,751	$ 125,218	$ 562,969

*Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations

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17. Provisions *(continued)*

a) Decommissioning provisions

The Corporation has estimated the future cost of decommissioning certain electrical and natural gas facilities. For the purposes of estimating the fair value of these obligations, it is assumed that these costs will be incurred between 2025 and 2114 for natural gas distribution, transportation, and storage facilities and 2025 and 2053 for electrical facilities. The undiscounted cash flows required to settle the obligations total $1,195.1 million (2023 - $1,175.5 million). Risk-free rates between nil per cent and 4.8 per cent were used to calculate the discounted carrying value of the obligation. During the year, the Corporation recorded a $0.5 million decrease in the provision (2023 - $21.8 million increase).

The following summarizes the Corporation's sensitivity to changes in best estimate assumptions on the March 31, 2024 decommissioning provision (thousands of dollars):

	Undiscounted	Discounted	Discount rate		Inflation rate	
	cash flows	cash flows	+ 0. 5%	- 0. 5%	+ 0. 5%	- 0. 5%
Decommissioning	**$1,195,105**	**$ 424,528**	**$ (36,092)**	**$ 41,487**	**$ 44,334**	**$ (45,268)**

b) Environmental remediation

The following are included in the provision for environmental remediation:

i) The Corporation has accrued $54.5 million (2023 - $58.6 million) to carry out clean-up activities and associated costs related to an indemnity for environmental liabilities predating 1986 at the Prince Albert pulp mill site and the ERCO Worldwide chemical plant in Saskatoon.

ii) The Corporation has accrued $66.3 million (2023 - $66.6 million) related to estimated environmental remediation for its electrical generation assets and other properties.

18. Lease liabilities

(thousands of dollars)

	2024	2023
Contractual undiscounted cash flows	**$ 1,720,140**	$ 1,898,343
Less: future finance charges on leases	**(793,765)**	(924,906)
Discounted lease liabilities	**926,375**	973,437
Current portion of discounted lease liabilities	**(72,302)**	(68,523)
	$ 854,073	$ 904,914

During the year ended March 31, 2024, the Corporation recognized $134.2 million (2023 - $141.8 million) of interest costs in net earnings related to these lease liabilities.

As at March 31, 2024, scheduled contractual undiscounted cash flows and discounted lease liabilities are as follows:

	1 year	1-5 years	More than 5 years
Contractual undiscounted cash flows	**$ 197,289**	**$ 687,128**	**$ 835,723**
Discounted lease liabilities	**72,302**	**261,054**	**593,019**

19. Long-term debt

(thousands of dollars)

	2024		2023	
	Principal Outstanding	**Effective Interest Rate**	Principal Outstanding	Effective Interest Rate
General Revenue Fund (years to maturity)				
1-5 years	**$ 1,383,259**	**3.8%**	$ 900,359	3.2%
6-10 years	**1,354,000**	**4.8%**	1,259,000	4.4%
11-15 years	**706,760**	**4.9%**	1,006,760	5.2%
16-20 years	**1,532,911**	**4.0%**	1,532,911	4.0%
21-25 years	**2,875,000**	**3.4%**	2,475,000	3.4%
26-30 years	**2,100,000**	**3.3%**	2,075,000	3.3%
Beyond 30 years	**1,280,000**	**3.7%**	1,050,000	3.2%
Total due to the GRF	**11,231,930**	**3.8%**	10,299,030	3.7%
Other long-term debt (1-25 years)	**28,802**	**2.3%**	4,816	13.5%
Unamortized debt premium net of issue costs	**(88,815)**		(64,499)	
	11,171,917		10,239,347	
Due within one year	**(353,064)**		(152,100)	
	$ 10,818,853		$ 10,087,247	

Principal repayments due in each of the next five years are as follows:

2025	$ 353,060
2026	329,760
2027	69,619
2028	308,060
2029	338,060

There is a requirement attached to certain interest-bearing issues from the GRF to make annual payments into sinking funds in amounts representing a minimum of 1.0 per cent of the original issue. The cumulative annual payments plus interest earned are used for the retirement of debt issues, upon maturity, with the GRF.

20. Contract liabilities

(thousands of dollars)

	2024	2023
Contract liabilities, beginning of year	$ **285,202**	$ 246,324
Contract liabilities recognized in the current year	**438,266**	477,362
Recognized in revenue	**(465,014)**	(446,158)
Other	**(593)**	7,674
Contract liabilities, end of year	**257,861**	285,202
Current	**(99,673)**	(120,306)
Non-current	$ **158,188**	$ 164,896

21. Employee future benefits

Defined benefit pension plans

The Corporation has three defined benefit pension plans, for certain of its employees, that have been closed to new membership. Annual audited financial statements for each plan are prepared and released publicly.

The actuarial valuations include a provision for uncommitted and ad hoc benefit increases; and are measured using management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action. There is a risk that the actual amount may differ materially from the estimate. The major assumptions used in the valuation of the defined benefit pension plans are as follows:

	2024	2023
Discount rate - end of year	**4.8%**	4.8%
Inflation rate	**2.0-2.3%**	2.0-2.3%
Duration (years)	**8-10**	8-10
Post-retirement index	**0.0-1.6% and 70.0% of CPI**	0.0-1.6% and 70.0% of CPI
Last actuarial valuation	**9/30/2022-3/31/2023**	12/31/2019-9/30/2022

Mortality rates were applied utilizing the Canadian Pensioner 2014 Private Sector Mortality Table with 95.0 - 100.0 per cent scaling factor for males, 110.0 per cent scaling factor for females and projected generationally with Improvement Scale B and MI-2017.

21. Employee future benefits *(continued)*

The actuarial assumptions are based on management's expectations, independent actuarial advice and guidance provided by IFRS. The most significant assumption for each plan is the discount rate, which is the yield at the reporting date of high-quality debt instruments that have maturity dates approximating the terms of the plan obligations.

Sensitivity analysis on defined benefit pension plan assumptions

The following illustrates the impact on the March 31, 2024 defined benefit pension obligation from a change in an actuarial assumption (thousands of dollars):

	SaskTel		SGI CANADA		SaskPower	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1.0 per cent)	$ (63,237)	$ 74,031	$ (1,310)	$ (1,453)	$ (53,586)	$ 62,334
Inflation rate (1.0 per cent)	(39,489)	8,575	N/A[1]	N/A[1]	(22,093)	23,455
Post-retirement index (1.0 per cent)	27,549	(71,543)	283	278	59,674	(52,174)
Mortality (1 year)	N/A[1]	N/A[1]	N/A[1]	N/A[1]	(18,020)	18,749

[1] Impact to the March 31, 2024, defined benefit pension obligation from a change in assumption is not considered significant.

21. Employee future benefits *(continued)*

Information about the Corporation's defined benefit pension plans is as follows (thousands of dollars):

	2024	2023
Defined benefit pension plan obligation, beginning of year	**$ 1,499,423**	$ 1,635,060
Included in net earnings:		
Current service cost	**488**	426
Interest cost	**68,332**	61,162
	68,820	61,588
Included in OCI:		
Actuarial (gains) losses arising from:		
Financial assumptions	**(32,296)**	(76,732)
Experience adjustments	**-**	1,505
	(32,296)	(75,227)
Benefits paid	**(122,284)**	(121,998)
Defined benefit pension plan obligation, end of year	**$ 1,413,663**	$ 1,499,423
Fair value of defined benefit pension plan assets, beginning of year	**$ 1,418,157**	$ 1,548,773
Included in net earnings:		
Interest income	**69,803**	61,474
Included in OCI:		
Return on plan assets excluding interest income	**25,639**	(53,463)
Asset ceiling adjustment	**3,462**	(16,629)
	29,101	(70,092)
Benefits paid	**(122,284)**	(121,998)
Fair value of defined benefit pension plan assets, end of year	**$ 1,394,777**	$ 1,418,157
Funded status - plan deficit and net defined benefit pension obligation	**$ 18,886**	$ 81,266

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21. Employee future benefits *(continued)*

The asset allocation of the defined benefit pension plans are as follows:

	2024	2023
Asset category		
Short-term investments	**0.9%**	1.5%
Bonds and debentures	**56.9%**	56.7%
Equity securities - Canadian	**1.5%**	1.7%
Equity securities - US	**12.8%**	11.4%
Equity securities – Non-North American	**7.6%**	7.6%
Real estate	**20.3%**	21.1%

Other defined benefit plans

Other benefit plans include a defined benefit and a defined contribution severance plan, a supplementary superannuation plan, two defined benefit service recognition plans, a defined benefit retiring allowance plan and a voluntary early retirement plan. All other defined benefit plans are unfunded.

Information about the Corporation's other defined benefit plans is as follows (thousands of dollars):

	2024	2023
Other defined benefit pension plan obligation, beginning of year	**$ 64,033**	$ 71,322
Included in net earnings:		
Current service cost	**4,162**	4,413
Interest cost	**5,347**	1,492
	9,509	5,905
Included in OCI:		
Actuarial loss (gain) arising from:		
Financial assumptions	**262**	(1,521)
Experience adjustments	**287**	429
	549	(1,092)
Benefits paid	**(10,135)**	(12,102)
Other defined benefit plan obligation, end of year	**$ 63,956**	$ 64,033

21. Employee future benefits *(continued)*

The significant actuarial assumptions used in the valuation of other defined benefit plans are as follows:

	2024	2023
Discount rate	**3.9-4.8%**	4.2-5.1%
Inflation rate	**2.0-3.0%**	2.0-2.7%
Long-term rate of compensation increases	**2.0-3.0%**	2.0-3.0%
Remaining service life (years)	**3-12**	3-13
Last actuarial valuation	**12/31/2023-3/31/2023**	9/30/2022-3/31/2023

The actuarial assumptions are based on management's expectations, independent actuarial advice and guidance provided by IFRS. The most significant assumption for each plan is the discount rate, which is the yield at the reporting date of high-quality debt instruments that have maturity dates approximating the terms of the plan obligations.

A 1.0 per cent change in the actuarial assumptions would not have a material effect on the March 31, 2024 other defined benefit obligation.

Employee future benefit liability

The employee future benefit liability on the Consolidated Statement of Financial Position represents the funded status of the Corporation's defined benefit pension plans and other defined benefit plans. On a combined basis, at March 31, 2024, these liabilities totaled $82.8 million (2023 - $145.3 million).

Defined contribution pension plans

The Corporation also has employees who are members of defined contribution pension plans. The Corporation's financial obligation is limited to contractual contributions to the plan. On a combined basis, the Corporation paid $73.2 million (2023 - $72.5 million) into these plans.

Employee future benefits expense

Employee future benefits expense includes contributions to the defined contribution pension plans and current service costs for the defined benefit pension plans and other defined benefit plans. On a combined basis, employee future benefits expense (including discontinued operations) totaled $77.8 million (2023 - $70.8 million).

22. Equity advances and capital disclosures

The Corporation does not have share capital. However, the Corporation has received advances from the GRF to form its equity capitalization. The advances are an equity investment in the Corporation by the GRF.

Due to its ownership structure, the Corporation has no access to capital markets for equity. Equity advances in the Corporation are determined by the shareholder on an annual basis. Dividends and equity repayments to the GRF are determined through the Saskatchewan provincial budget process on an annual basis.

The Corporation closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in the Corporation's capital structure. The Corporation uses this measure in assessing the extent of financial leverage and, in turn, its financial flexibility.

Too high a ratio relative to target indicates an excessive debt burden that may impair the Corporation's ability to withstand downturns in revenues and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the year.

CIC reviews the debt ratio targets of all its subsidiary Crown corporations on an annual basis to ensure consistency with industry standards. This review includes subsidiary Crown corporations' plans for capital spending. The target debt ratios for subsidiary Crown corporations are approved by the CIC Board. The Corporation uses targeted debt ratios to compile a weighted average debt ratio for the CIC Crown sector.

The Corporation raises most of its capital requirements through internal operating activities and notes payable and long-term debt through the GRF. This type of borrowing allows the Corporation to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

The Corporation made no changes to its approach to capital management during the year and complied with all externally imposed capital requirements.

The debt ratio (including assets and liabilities held-for-sale) is as follows (thousands of dollars):

	Note	**2024**	2023 (Restated – Note 3)
Total debt (a)		**$ 12,575,289**	$11,544,859
Less: Sinking funds	7(a)	**(1,131,599)**	(1,006,726)
Net debt		**11,443,690**	10,538,133
Equity		**6,526,785**	6,061,440
Capitalization		**$ 17,970,475**	$16,599,573
Debt ratio		**63.7%**	63.5%

a) Total debt includes long-term debt, long-term debt due within one year and notes payable.

23. Accumulated other comprehensive income

(thousands of dollars)

	2024	2023
Items that may be subsequently reclassified to net earnings:		
Unrealized losses on sinking funds	**$ (75,766)**	$ (72,727)
Unrealized (losses) gains on cash flow hedges	**(8,444)**	10,811
Realized losses on cash flow hedges	**(9,400)**	(9,859)
	(93,610)	(71,775)
Items that will not be reclassified to net earnings:		
Impact of defined benefit plan actuarial assumption changes and asset ceiling	**286,100**	225,242
	$ 192,490	$ 153,467

24. Commitments and contingencies

The following significant commitments and contingencies exist at March 31, 2024:

a) At 2024 prices, the Corporation has forward commitments of $448.0 million (2023 - $723.3 million) extending until 2029 for future minimum coal deliveries.

b) As at March 31, 2024, the Corporation has committed to spend $2,005.1 million (2023 - $1,612.4 million) on capital projects.

c) The Corporation has entered into contracts to purchase natural gas, transportation and storage for electricity generation expected to cost $798.2 million (2023 - $440.4 million) based on forward market prices until 2046. This includes fixed price forward contracts with a notional value of $330.2 million (2023 - $248.9 million) which are eligible for the own-use scope exception.

d) The Corporation has entered into power purchase agreements (PPAs) that provide over 1,850 MW of generating capacity. The payments related to these PPAs are expected to be $11,366.0 million (2023 - $13,084.6 million) until 2059, which includes lease liabilities of $1,624.2 million (2023 - $1,806.7 million).

e) During the year, the Corporation entered into commodity contracts for the physical purchase of natural gas to be used for expected sales requirements for natural gas customers. As at March 31, 2024, natural gas derivative instruments had the following notional values and maturities for the next five fiscal years (millions of dollars):

2025	$ 85.5	2028	$ 87.0
2026	88.6	2029	97.1
2027	94.4		

f) The Corporation has outstanding service contract commitments of $388.8 million (2023 - $295.4 million).

g) The Corporation has various legal matters pending which, in the opinion of management, will not have a material effect on the Corporation's consolidated financial position or results of operations. Should the ultimate resolution of actions differ from management's assessments and assumptions, a material adjustment to the Corporation's financial position or results of operations could result.

25. Revenue and other income

(thousands of dollars)

		2024		2023 (Restated – Note 3)
Utilities[1]	**$**	**5,724,578**	$	5,743,836
Insurance		**1,341,898**		1,233,601
Entertainment		**606,257**		116,281
Other and consolidation adjustments		**(170,771)**		(247,581)
		7,501,962		6,846,137
Discontinued operations		**(530)**		-
	$	**7,501,432**	$	6,846,137

[1] Utilities revenue primarily consists of revenue from contracts with customers. These contracts include wireless, internet, television, telephone, electricity, water, and natural gas contracts.

26. Depreciation and amortization

(thousands of dollars)

	Note		2024		2023
Property, plant and equipment	13	**$**	**885,149**	$	854,115
Right-of-use assets	14		**65,334**		67,007
Intangible assets	15		**76,796**		88,566
		$	**1,027,279**	$	1,009,688

27. Saskatchewan taxes and fees

(thousands of dollars)

		2024		2023
Saskatchewan capital tax	**$**	**95,853**	$	90,318
Grants in lieu of taxes to municipalities		**39,485**		38,272
Insurance premium tax		**37,579**		34,672
Gaming fees		**118,143**		21,284
Other		**9,867**		8,432
	$	**300,927**	$	192,978

28. Finance income and expenses

(thousands of dollars)

	Note	2024	2023 (Restated – Note 3)
Sinking fund earnings	7(a)	$ **20,295**	$ 4,509
Gain (loss) on sale of investments at fair value through profit or loss		**53,928**	(20,324)
Change in fair value of financial assets at fair value through profit or loss		**1,295**	762
Interest and other income from investments at fair value through profit or loss		**44,304**	27,973
Interest and other income from investments at amortized cost		**9,915**	8,810
Interest income from defined benefit pension plans	21	**69,803**	61,474
Amounts amortized to net earnings and included in net finance expenses		**(459)**	(459)
Finance income from insurance contracts		**(26,059)**	(6,349)
Finance income from reinsurance contracts		**2,095**	326
Other		**28,824**	25,748
Finance income		**203,941**	102,470
Interest expense on financial liabilities at amortized cost		**601,241**	554,211
Accretion expense on provisions	17	**18,643**	13,800
Interest cost on defined benefit pension plans	21	**68,332**	61,162
Interest cost on other defined benefit plans	21	**5,347**	1,492
Interest capitalized[1]		**(50,460)**	(39,383)
Other		**690**	(380)
Finance expenses		**643,793**	590,902
Net finance expenses		$ **439,852**	$ 488,432

[1] The weighted average interest rate used to capitalize interest was 3.6 per cent at March 31, 2024 (2023 - 3.8 per cent).

29. Consolidated statement of cash flows

a) Adjustments to reconcile net earnings to cash from operating activities

(thousands of dollars)

	Note	2024	2023 (Restated –Note 3)
Adjustments to reconcile net earnings to cash from operating activities			
Depreciation and amortization	26	$ **1,027,279**	$ 1,009,688
Share of net earnings from equity accounted investees	12	**(20,535)**	(9,975)
Defined benefit plan current service costs	21	**4,650**	4,839
(Recovery of) provision for decommissioning and environmental remediation liabilities	17	**(4,290)**	31,495
Unrealized losses on derivative financial instruments	9(b)	**34,154**	64,531
Inventory write-downs	10	**1,951**	7,919
Loss on disposal of property, plant and equipment		**34,225**	26,842
Impairment losses (recoveries)		**2,682**	(930)
Net finance expenses	28	**439,852**	488,431
Other non-cash items		**(18,976)**	(21,298)
		$ **1,500,992**	$ 1,601,542

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29. Consolidated statement of cash flows *(continued)*

b) Reconciliation of changes in liabilities to cash flows arising from financing activities

(thousands of dollars)

	Note	Sinking funds	Notes payable	Long-term debt	Lease liabilities	Other	Total
Balance as of April 1, 2022		$ 998,156	$ (1,160,992)	$ (9,521,184)	$ (1,026,171)	$ (45,994)	**$ (10,756,185)**
Changes from financing cash flows:							
Increase in notes payable		-	(161,760)	-	-	-	**(161,760)**
Increase in other liabilities		-	-	-	(4,510)	(5,196)	**(9,706)**
Debt proceeds from the GRF		-	-	(1,015,611)	-	-	**(1,015,611)**
Debt repayments to the GRF		-	-	256,320	-	-	**256,320**
Principal repayments of lease liabilities		-	-	-	60,292	-	**60,292**
Sinking fund installments	7(a)	96,715	-	-	-	-	**96,715**
Sinking fund redemptions	7(a)	(71,834)	-	-	-	-	**(71,834)**
Total changes from financing cash flows		**$ 24,881**	**$ (161,760)**	**$ (759,291)**	**$ 55,782**	**$ (5,196)**	**$ (845,584)**
Other changes:							
Transfer of SOCO assets and liabilities		(5,317)	17,240	36,684	565	-	**49,172**
Unrealized losses on sinking funds	7(a)	(15,503)	-	-	-	-	**(15,503)**
Sinking fund earnings	7(a)	4,509	-	-	-	-	**4,509**
Other		-	-	4,444	(3,613)	8,603	**9,434**
Total other changes		**$ (16,311)**	**$ 17,240**	**$ 41,128**	**$ (3,048)**	**$ 8,603**	**$ 47,612**
Balance as of March 31, 2023 (Restated)*		**$ 1,006,726**	**$ (1,305,512)**	**$(10,239,347)**	**$ (973,437)**	**$ (42,587)**	**$ (11,554,157)**
Changes from financing cash flows:							
Increase in notes payable		-	(97,860)	-	-	-	**(97,860)**
Increase in other liabilities		-	-	-	(8,142)	(58,876)	**(67,018)**
Debt proceeds from the GRF		-	-	(1,064,645)	-	-	**(1,064,645)**
Debt repayments to the GRF		-	-	152,100	-	-	**152,100**
Debt repayments to other lenders		-	-	(23,986)	-	-	**(23,986)**
Principal repayments of lease liabilities		-	-	-	69,710	-	**69,710**
Sinking fund installments	7(a)	109,253	-	-	-	-	**109,253**
Sinking fund redemptions	7(a)	(1,636)	-	-	-	-	**(1,636)**
Total changes from financing cash flows		**$ 107,617**	**$ (97,860)**	**$ (936,531)**	**$ 61,568**	**$ (58,876)**	**$ (924,082)**
Other changes:							
Unrealized losses on sinking funds	7(a)	(3,039)	-	-	-	-	**(3,039)**
Capitalized borrowing costs		-	-	-	(1,587)	-	**(1,587)**
Sinking fund earnings	7(a)	20,295	-	-	-	-	**20,295**
Other		-	-	3,961	(12,919)	1,103	**(7,855)**
Total other changes		**$ 17,256**	**$ -**	**$ 3,961**	**$ (14,506)**	**$ 1,103**	**$ 7,814**
Balance as of March 31, 2024		**$ 1,131,599**	**$ (1,403,372)**	**$(11,171,917)**	**$ (926,375)**	**$ (100,360)**	**$ (12,470,425)**

*Restated for the adoption of IFRS 17 – *Insurance contracts*. Refer to Note 3 – Application of new accounting standards and amendments to standards and interpretations.

30. Related party transactions

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). The Corporation has elected to take a partial exemption under IAS 24, *Related Party Disclosures* which allows government-related entities to limit the extent of disclosures about related party transactions with government or other government-related entities.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In addition, the Corporation pays Saskatchewan provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of these purchases.

Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these consolidated financial statements and the notes thereto.

Key management personnel compensation

In addition to salaries, the Corporation provides non-cash benefits to key management personnel, defined as the Board of Directors of each of its subsidiaries, as well as the President and Vice Presidents of CIC and each of its subsidiaries.

Key management personnel compensation consists of (thousands of dollars):

	2024	2023
Salaries, wages and short-term employee benefits	**$ 20,106**	$ 19,844
Employee future benefits	**1,379**	1,290
Termination benefits	**89**	353
Other	**13**	13
	$ 21,587	$ 21,500

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Kellie Sidloski, Land Manager with Valleyview Petroleums Ltd., using SaskTel wireless service in the field.

CIC Separate Management Discussion & Analysis

Analysis of Financial Results

CIC's separate financial statements are used to determine the Corporation's capacity to pay dividends and equity repayments to the Province's General Revenue Fund (GRF). These separate financial statements are intended to isolate CIC's cash flow, capital and operating support for certain subsidiary Crown corporations. Inclusion of these financial statements in the annual report enhances the accountability and transparency of CIC's operations.

This narrative on CIC's separate 2023-24 financial results should be read in conjunction with the audited separate financial statements. For the purposes of this narrative on CIC's separate financial results, "CIC" refers to the holding company.

Comparison of 2023-24 Results with 2022-23 Results

Earnings

Earnings (millions of dollars)	**2023-24**	**2022-23**	**2021-22**	**2020-21**	**2019-20**
Dividend revenue from subsidiary corporations	**$ 225.7**	$ 116.1	$ 189.4	$ 284.5	$ 230.2
Add: Finance and other revenue	**1.5**	0.9	0.7	0.3	0.9
Less: Operating, salaries and other expenses	**(15.4)**	(13.9)	(3.6)	(10.9)	(11.6)
Grants (provided to) repaid by subsidiary corporations	**-**	-	-	(1.5)	(7.0)
Total Separate Earnings	**$ 211.8**	$ 103.1	$ 186.5	$ 272.4	$ 212.5

Net earnings for 2023-24 were $211.8 million, an increase of $108.7 million as compared to 2022-23. The increase in earnings is due to higher dividend revenue from subsidiary corporations of $109.6 million. A more detailed discussion of 2023-24 compared to 2022-23 financial results is included on the following pages.

Dividend Revenue

CIC's revenue is comprised of dividends from subsidiary Crown corporations, dividends through its investment in Information Services Corporation and revenue from investments. Dividends from subsidiary Crown corporations are the primary factor in CIC's ability to pay dividends to the GRF.

Revenues are influenced by weather conditions, commodity markets, general economic and geopolitical conditions, interest and exchange rates, competition, the regulatory environment, technology changes, labour disruptions and supply chains. Examples include:

- Demand for electricity and natural gas increases during cold weather and decreases during warm weather, which impacts earnings at Saskatchewan Power Corporation (SaskPower) and SaskEnergy Incorporated (SaskEnergy).
- Accident and property insurance claims at Saskatchewan Government Insurance (SGI CANADA) are negatively impacted by winter driving conditions and the summer storm season. Competition, climate change, inflationary pressures and investment market volatility also impact earnings at SGI CANADA.
- Water run-off levels impact SaskPower's capacity to generate hydroelectricity, a lower cost fuel than natural gas and coal generation, and impact SaskWater customers' demand for potable and non-potable service.
- Natural gas prices impact earnings at SaskPower and SaskEnergy.
- Investments in infrastructure to expand the availability of high-speed internet service in rural Saskatchewan brings about increases in depreciation and finance expenses impacting earnings at SaskTel.

Comparison of 2023-24 Results with 2022-23 Results *(continued)*

Dividend Revenue *(continued)*

Crown dividends are calculated in accordance with CIC's dividend policy and typically based on a percentage of operating earnings; however, various factors may lead to an amount being set on an alternate basis. Operating earnings exclude any non-cash, fair market value adjustments on items such as natural gas contracts and inventory. Dividend targets are based on the overall financial health of the subsidiary Crown and its need for capital investment and debt reduction, if required. These targets are subject to change during the year if there is a significant change in circumstances. A five-year history of dividend revenue by contribution source is as follows:

Dividend Revenue (millions of dollars)	2023-24	2022-23	2021-22	2020-21	2019-20
Lotteries and Gaming Saskatchewan / SaskGaming	**$ 139.1**	$ 17.0	$ -	$ -	$ 13.3
SaskTel	**38.2**	41.6	94.0	117.7	107.8
SaskEnergy	**20.6**	44.7	21.5	$ 20.5	23.1
SaskPower	**18.5**	-	3.2	48.1	20.6
Information Services Corp. (ISC)	**5.0**	5.0	5.7	4.3	4.3
SaskWater	**4.3**	7.8	6.5	6.3	4.2
SGI CANADA	**-**	-	57.5	87.0	54.2
Saskatchewan Opportunities Corp. (SOCO)	**-**	-	1.0	0.6	2.7
Total Dividend Revenue	**$ 225.7**	$ 116.1	$ 189.4	$ 284.5	$ 230.2

Dividend revenue in 2023-24 increased $109.6 million to $225.7 million from 2022-23. The increase is primarily due to higher dividends from Lotteries and Gaming Saskatchewan of $122.1 million and SaskPower of $18.5 million. Partially offsetting these increases were lower dividends provided by SaskEnergy of $24.1 million. SGI CANADA was not able to provide a dividend for 2023-24.

On June 1, 2023, LGS began operations and is responsible for the management oversight of casinos, VLTs, lotteries and online gaming in Saskatchewan. As a result, earnings from all Saskatchewan based casinos, the Province's VLT program, lotteries and online gaming now flow to LGS. Dividend revenue for 2022-23 was exclusively derived from SaskGaming's casino operations. LGS and SaskGaming's combined dividend for 2023-24 was $139.1 million.

SaskPower's dividend of $18.5 million is higher than the prior period's dividend which was nil. SaskPower's earnings were higher in 2023-24 mainly due to growth in demand from power and oilfield customer classes as a result of increased activity and improved economic activity combined with system rate increases implemented effective September 1, 2022, and April 1, 2023. SaskPower also saw improvements in the revenue it recognizes from customers for service extensions (customer contributions) and in carbon dioxide sales. The increase in revenues was complemented by a significant decrease in fuel and purchased power costs driven by lower natural gas prices.

SaskEnergy's dividend of $20.6 million was $24.1 million lower than the prior period's dividend of $44.7 million largely due to the warmer than normal winter heating season combined with higher year-over-year operating costs. During 2023-24, temperatures were approximately 9 per cent warmer than normal compared to 7 per cent colder than normal during 2022-23. The warm weather softened customer demand. There were also reduced opportunities to take advantage of unutilized transportation capacity to boost revenues. SaskEnergy had higher than normal staff vacancy levels in the prior period, resulting in lower than typical salary costs, and has since been able to fill some of those positions leading to a planned level of staffing costs. The company's investment in its facilities has also increased operating and maintenance expenses due to functionality improvements.

Comparison of 2023-24 Results with 2022-23 Results *(continued)*

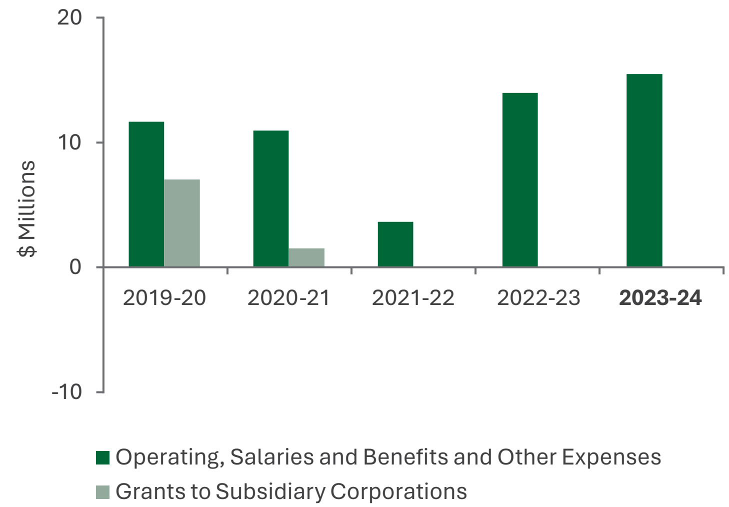
Dividend Revenue *(continued)*

SGI CANADA did not declare a dividend in 2023-24 nor did the company pay one in 2022-23. SGI CANADA pays dividends based on the acceptable level of capital it holds to ensure future claim and other liabilities can be paid. Investment earnings have improved from 2022-23. However, an increase in the number of claims, higher claim costs due to inflationary pressure, and higher administrative expenses due to growth and business transformation, has restricted capital levels and SGI CANADA's ability to pay a dividend.

Operating, Salaries and Benefits and Other Expenses

Operating, salaries and benefits and other expenses were $1.5 million higher at $15.4 million compared to $13.9 million in 2022-23.

CIC is driving forward the government's priorities and continues its expanded role in helping the Crown sector secure sustainable energy for the future, including nuclear. CIC also has a leadership role in helping achieve the goals and objectives outlined in the Saskatchewan Growth Plan. CIC's leadership role has translated into growth for the company and a subsequent year-over-year increase in operating costs. CIC has increased its staff complement and office space as well as increased requirements for external professional expertise in complex areas such as nuclear policy and energy development.



Operating, Investing and Financing Activities

Cash Flow Highlights (millions of dollars)		**2023-24**		**2022-23**
Cash from operating activities	**$**	**158.0**	$	129.2
Cash provided by investing activities		**4.9**		110.2
Cash used in financing activities		**(152.4)**		(236.9)
Change in Cash	**$**	**10.5**	$	2.5

Net cash from operating activities of $158.0 million in 2023-24 compared to $129.2 million in 2022-23, an increase of $28.8 million from the prior year. Cash from operating activities, before the impacts of non-cash items, increased because of higher Crown dividends. The year-over-year dividend improvement is primarily due to the start of LGS's operations and the shift of the province's gaming revenues to the new Crown. Crowns declare dividends to CIC at quarter-end and pay them three months later which results in differences between dividend payments received and what is recorded as dividend revenue.

Net cash provided by investing activities was $4.9 million compared to $110.2 million in 2022-23. This decrease is largely due to CIC receiving $93.5 million in the comparative period of 2022-23 from Innovation Saskatchewan as a payment for CIC's investment in SOCO.

Net cash used in financing activities was $152.4 million compared to $236.9 million in 2022-23. The larger amount of cash used in the comparative period of 2022-23 was largely due to an equity repayment to the GRF of $93.5 million equal to the amount received from the transfer of SOCO to Innovation Saskatchewan. However, CIC was able to provide a higher dividend payment to the GRF of $152.0 million for 2023-24 compared to $143.0 million in the same period last year.

CIC SEPARATE

Public Policy Initiatives

CIC supports government initiatives and programs including the Indigenous Bursary Program and the Indigenous Cultural Awareness Program. More information on these programs is detailed in the Corporate Information section of this report.

Key Factors Affecting Financial Performance

Earnings

- The key factor affecting CIC's earnings is the level of dividends from commercial subsidiary Crown corporations. Crown earnings and dividend levels are impacted by variable factors such as weather conditions, commodity markets, general economic and geopolitical conditions, interest and exchange rates, performance, competition, regulatory environment, technology changes and labour disruptions.
- Factors affecting the level of dividends from subsidiary Crowns include the level of profits and the application of CIC's Subsidiary Dividend Policy. The CIC Board determines dividend levels for a subsidiary Crown corporation after considering medium term reinvestment needs within each Crown corporation to sustain operations, to grow and diversify, and for debt reduction if necessary.

Investment Valuation

- CIC regularly assesses the appropriateness of the carrying value of its investments and adjusts the value of investments if it judges them to have other than a temporary increase or decrease in carrying value.

Looking Ahead to 2024-25

CIC's key initiatives for 2024-25 include:

- Provide a reasonable return to the Shareholder (Province of Saskatchewan);
- Advance key provincial goals that contribute to the economic growth of the province and improve the quality of life for the people of Saskatchewan, including supporting investment attraction to the province, promoting collaboration across the public and private sectors, providing the infrastructure for growth, strengthening and securing Saskatchewan supply chains, and ensuring the delivery of safe, reliable and affordable products and services;
- Maintain and improve Saskatchewan's Crown corporation infrastructure to meet the needs of both residents and businesses;
- Lead the Crown sector in aligning with *Saskatchewan's Growth Plan: The Next Decade of Growth*, the government's roadmap to build a strong economy, strong communities and strong families, and build a stronger Saskatchewan;
- Continue developing strategies that support Saskatchewan's energy transition;
- Expand the availability of high-speed internet service in rural Saskatchewan to help ensure a connected and prosperous future for the province;
- Lead an Advisory Council on Indigenous engagement in providing support and advice to the public sector regarding economic and cultural reconciliation;
- Provide strong governance and accountability through a sector-wide Enterprise Risk Management (ERM) framework;
- Lead a strategy to protect Crown corporations against cyber-attacks and manage the risks associated with the use of technology;
- Monitor new developments in financial reporting and governance, ensuring that CIC continues to be a leader in its reporting and accountability practices; and
- Challenge its Crown corporations to identify innovative solutions that enhance services and customer experience, while focusing on the most effective and efficient ways possible to deliver those services.

Responsibility for Financial Statements

The accompanying separate financial statements have been prepared by management of Crown Investments Corporation of Saskatchewan to illustrate the financial position and results of operations and cash flows of the corporate entity only. They have been prepared, without consolidation, in accordance with the basis of accounting described in Note 2 and Note 4 to the separate financial statements, and consistently applied, using management's best estimates and judgements where appropriate. Management is responsible for the reliability and integrity of the separate financial statements, the notes to the separate financial statements and other information contained in this annual report.

CIC's Board of Directors is responsible for overseeing the business affairs of the Corporation and also has the responsibility for the reliability and integrity of the separate financial statements with eventual approval of the separate financial statements. The Board of Directors is responsible for reviewing the separate financial statements and meeting with management, KPMG LLP and the Provincial Auditor of Saskatchewan on matters relating to the financial process.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the separate financial statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained. The Provincial Auditor of Saskatchewan has reported to the Legislative Assembly that these controls are adequately functioning.

KPMG LLP has audited the separate financial statements. Their report to the Members of the Legislative Assembly, stating the scope of examination and opinion on the separate financial statements, appears on the following page.

Cindy Ogilvie

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie, CPA, CA
Senior Vice President & CFO

June 20, 2024

Independent Auditor's Report

To the Members of the Legislative Assembly, Province of Saskatchewan

Opinion

We have audited the separate financial statements of Crown Investments Corporation of Saskatchewan ("the Entity") which comprise:

- the separate statement of financial position as at March 31, 2024
- the separate statement of comprehensive income for the year then ended
- the separate statement of changes in equity for the year then ended
- the separate statement of cash flows for the year then ended
- and notes to the separate financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the separate financial position of the Entity as at March 31, 2024, and its separate financial performance and its separate cash flows for the year then ended in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditor's Responsibilities for the Audit of the Financial Statements*" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the annual report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information 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 the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 that we identify during our audit.

KPMG LLP

Chartered Professional Accountants
June 20, 2024
Regina, Canada

Crown Investments Corporation of Saskatchewan
Separate Statement of Financial Position
As at March 31
(thousands of dollars)

	Note	2024	2023
ASSETS			
Current			
Cash		**$ 32,008**	$ 21,536
Interest and accounts receivable	6	**55,549**	7,536
Dividends receivable		**76,462**	23,202
		164,019	52,274
Equity advances to Crown corporations	7	**940,231**	943,931
Investments in share capital corporations	8	**4,957**	4,956
Property, plant and equipment		**246**	233
Right-of-use assets		**3,004**	3,427
		$ 1,112,457	$ 1,004,821
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Interest and accounts payable	6	**$ 57,660**	$ 9,393
Lease liabilities		**451**	438
		58,111	9,831
Lease liabilities		**2,605**	3,025
		60,716	12,856
Province of Saskatchewan's Equity			
Equity advances	9	**538,389**	538,389
Retained earnings		**513,352**	453,576
		1,051,741	991,965
		$ 1,112,457	$ 1,004,821

(See accompanying notes)

On behalf of the Board:

Director

Director

Crown Investments Corporation of Saskatchewan
Separate Statement of Comprehensive Income
For the Year Ended March 31
(thousands of dollars)

	Note	2024	2023
INCOME FROM OPERATIONS			
Dividend revenue	10	$ **225,731**	$ 116,139
Other income		**215**	27
		225,946	116,166
EXPENSES			
Operating		**5,217**	4,552
Salaries and short-term employee benefits		**8,967**	8,270
Employee future benefits		**688**	587
Depreciation		**525**	516
		15,397	13,925
EARNINGS FROM OPERATIONS		**210,549**	102,241
Finance income		**1,280**	907
Finance expenses		**(53)**	(48)
NET FINANCE INCOME		**1,227**	859
NET EARNINGS		**211,776**	103,100
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		$ **211,776**	$ 103,100

(See accompanying notes)

CIC SEPARATE

Crown Investments Corporation of Saskatchewan
Separate Statement of Changes in Equity
For the Year Ended March 31
(thousands of dollars)

		Attributable to the Province of Saskatchewan		
	Note	Equity Advances	Retained Earnings	Total Equity
Balance at April 1, 2022		$ 631,889	$ 493,476	$ 1,125,365
Total comprehensive income		-	103,100	103,100
Dividends to the General Revenue Fund (GRF)	9	-	(143,000)	(143,000)
Equity advances repaid to the GRF	9	(93,500)	-	(93,500)
Balance at March 31, 2023		$ 538,389	$ 453,576	$ 991,965
Balance at April 1, 2023		**$ 538,389**	**$ 453,576**	**$ 991,965**
Total comprehensive income		**-**	**211,776**	**211,776**
Dividends to the GRF	9	**-**	**(152,000)**	**(152,000)**
Balance at March 31, 2024		**$ 538,389**	**$ 513,352**	**$ 1,051,741**

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Separate Statement of Cash Flows
For the Year Ended March 31
(thousands of dollars)

	Note	2024	2023
OPERATING ACTIVITIES			
Net earnings		**$ 211,776**	$ 103,100
Adjustments to reconcile net earnings to cash from operating activities:			
Depreciation		**525**	516
Net finance income		**(1,227)**	(859)
		211,074	102,757
Net change in non-cash working capital balances related to operations	11	**(53,006)**	26,529
Interest paid		**(53)**	(48)
Net cash from operating activities		**158,015**	129,238
INVESTING ACTIVITIES			
Interest received		**1,280**	907
Repayment of due from CIC Asset Management Inc.	8(a)	**-**	4,000
Equity advance repayments from Crown corporations	7	**3,700**	105,500
Purchase of equipment		**(78)**	(189)
Net cash from investing activities		**4,902**	110,218
FINANCING ACTIVITIES			
Equity advance repaid to the GRF	9	**-**	(93,500)
Dividend paid to the GRF	9	**(152,000)**	(143,000)
Principal repayments of lease liabilities		**(445)**	(424)
Net cash used in financing activities		**(152,445)**	(236,924)
NET CHANGE IN CASH DURING YEAR		**10,472**	2,532
CASH, BEGINNING OF YEAR		**21,536**	19,004
CASH, END OF YEAR		**$ 32,008**	$ 21,536

(See accompanying notes)

CIC SEPARATE

1. General information

Crown Investments Corporation of Saskatchewan (CIC or the Corporation) is a corporation domiciled in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. CIC was established to act as a holding corporation for the Province's commercial Crown sector. CIC develops broad corporate policy, directs investments for its subsidiaries and provides dividends to the province's General Revenue Fund (GRF). A list of CIC's subsidiaries with principal activities is contained in Note 5.

2. Basis of preparation

a) Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. The separate financial statements were authorized for issue by the Board of Directors on June 20, 2024.

b) Basis of measurement

The separate financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss.

c) Functional and presentation currency

The separate financial statements are presented in Canadian dollars, which is CIC's functional currency.

d) Accounting estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant items subject to estimates and assumptions include the carrying amounts of equity advances and investments. These significant areas are further described in Notes 7 and 8.

e) Accounting judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies.

Significant items subject to judgement are included in the accounting policies listed in Note 4.

3. Application of revised accounting standards

The corporation adopted the following accounting amendments during the year ended March 31, 2024. They did not have a material effect on its financial performance and financial position.

a) IAS 1, *Presentation of Financial Statements* – Disclosure of Accounting Policies, requiring entities to disclose material, instead of significant, accounting policy information.

b) IAS 8, *Accounting Policies – Changes in Accounting Estimates and Errors*, clarifying the definition of "accounting policies" and "accounting estimates".

4. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these separate financial statements.

CIC's separate financial statements do not consolidate the activities of its subsidiaries. Other than this exception, the accounting policies have been consistently applied by CIC's subsidiary corporations.

CIC prepares audited consolidated financial statements in accordance with IFRS 10, *Consolidated Financial Statements*. The audited consolidated financial statements were authorized by the CIC Board of Directors on June 20, 2024. CIC's audited consolidated financial statements should be referenced for further information.

a) Equity advances to Crown corporations

Crown corporations do not have share capital. However, Crown corporations may have equity advances from CIC to form their equity capitalization. The equity advances are accounted for at cost and dividends from these corporations are recognized as income when declared.

b) Investments in share capital corporations

Investments in shares of corporations are accounted for at cost less any accumulated impairment losses. Dividends from these investments are recognized as income when declared.

c) Impairment of equity in Crown corporations and share capital corporations

Investments in Crown corporations and share capital corporations are assessed at each reporting date to determine whether there is objective evidence that the investment is impaired. An investment is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the investment, and that the loss event had a negative effect on the estimated future cash flows. An impairment loss is recognized through net earnings if the carrying amount of the investment exceeds its recoverable amount.

If, in a subsequent period, the fair value of an impaired investment increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in net earnings, then the impairment loss is reversed, with the amount of the recovery recognized through net earnings.

4. Material accounting policies *(continued)*

d) Financial instruments

Classification and measurement

All financial instruments are measured at fair value on initial recognition. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments at fair value through profit or loss in which case the transaction costs are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

i) Financial instruments at fair value through profit or loss

The Corporation classifies cash as financial instruments at fair value through profit or loss.

ii) Financial instruments at amortized cost

The Corporation classifies interest and accounts receivable and dividends receivable as financial assets measured at amortized cost using the effective interest method, less any provision for expected credit losses. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

The Corporation classifies interest and accounts payable as amortized cost which is projected future cash flows to the present carrying amount of financial liabilities. Subsequent to initial recognition, these financial liabilities are accounted for at amortized cost using the effective interest method.

Due to the short-term nature of the Corporation‘s financial instruments, all carrying values approximate fair value.

e) Equity advances

CIC periodically receives funding from the Government of Saskatchewan through the GRF. Funding can be provided for one of two purposes, government policy initiatives for which no return is expected or required, or long-term investment which is expected to provide a return to the GRF. Funding provided for long-term investment is recorded as an equity advance (Note 9).

f) Revenue recognition

CIC's revenue is derived from the ownership of its subsidiary corporations. Dividend revenue from subsidiary corporations is recorded as revenue in the Separate Statement of Comprehensive Income when declared. Dividends received are classified as operating activities in accordance with IAS 7, *Statement of Cash Flows*. Funding provided for government policy initiatives is recorded as revenue in the period spending occurs.

5. Status of Crown Investments Corporation of Saskatchewan

CIC was established by Order in Council 535/47 dated April 2, 1947, and continued under the provisions of *The Crown Corporations Act, 1993* (the Act). CIC is an agent of His Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain jointly controlled enterprises and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

The Act assigns specific financial and other responsibilities to CIC regarding Crown corporations designated or created as subsidiary Crown corporations of CIC under the Act. The following wholly-owned Crown corporations have been designated or created by Order in Council:

Wholly-owned subsidiaries domiciled in Canada	Principal Activity
SaskPower	Electricity
SaskTel	Information and communication technology
SaskEnergy	Natural gas storage and delivery
SaskWater	Water and wastewater management
SGI CANADA	Property and casualty insurance
LGS/SGC[1]	Entertainment

[1] Effective April 1, 2023, LGS began as a new commercial Crown corporation. LGS consolidates the management oversight for casinos, video lottery terminals (VLTs), lotteries, and online gaming. As part of the new Crown corporation, SGC was reconfigured as a wholly-owned business subsidiary of LGS and will continue to operate casinos Regina and Moose Jaw, with no significant changes to overall operations. SGC's financial results have been consolidated with LGS as of June 1, 2023, with the start of operations.

In addition to the above Crown corporations, CIC is the sole shareholder of CIC Asset Management Inc. (CIC AMI), a wholly-owned share capital subsidiary which is domiciled in Canada. AMI has a mandate to prudently monitor and review the remaining portfolio of investments and environmental liabilities.

6. Interest and accounts receivable/payable

On March 31, 2023, CIC entered into an agreement with the Government of Canada as part of its Future Electricity Fund (FEF) program. The FEF provides grant funding for pre-approved electricity focused projects that support greenhouse gas emission reductions. CIC is the holder of the agreement; however, SaskPower is named as the ultimate recipient as it will receive the material benefit of the implementation of project and program funding. As of March 31, 2024, CIC has set up a receivable of $55.0 million (2023 - $7.2 million[2]), with an offsetting payable to SaskPower. CIC anticipates receipt of the program funds and corresponding transfer to SaskPower will occur in 2024-25.

[2] Subsequent to year-end CIC received $7.2 million dollars and forwarded the amount to SaskPower on April 10, 2024.

7. Equity advances to Crown corporations

Equity advances to Crown corporations are as follows (thousands of dollars):

		2024		2023
SaskPower	**$**	**593,000**	$	593,000
SaskTel		**237,000**		237,000
SGI CANADA		**80,000**		80,000
SaskEnergy		**21,531**		21,531
SaskWater		**8,700**		8,700
LGS/SGC (a)		**-**		3,700
	$	**940,231**	$	943,931

a) During the year ended March 31, 2024, CIC received $3.7 million from SGC as a repayment of equity advances.

8. Investments in share capital corporations

(thousands of dollars)

	Voting Percentage		2024		2023
CIC Asset Management Inc. (a):					
1 (2023 - 1) Class A common share	100%	**$**	**-**	$	-
Due from CIC AMI			**4,957**		4,956
			4,957		4,956
Information Services Corporation (b):					
5,425,000 (2023 - 5,425,000) Class A Limited Voting shares	29.9%		**-**		-
		$	**4,957**	$	4,956

a) CIC AMI was established on November 14, 1979, under *The Business Corporations Act (Saskatchewan)*. CIC AMI has a mandate to prudently manage and divest its portfolio of investments. In 2022-23, CIC AMI repaid $4.0 million of its loan from CIC.

b) The Corporation owns 5,425,000 Class A Limited Voting shares representing a 29.9 per cent (2023 – 30.7 per cent) ownership interest of ISC. The dilution of ownership percentage was due to exercise of stock options during the year. At March 31, 2024, the fair value of these shares was $150.2 million (2023 - $119.4 million).

9. Equity advances and capital disclosures

CIC does not have issued or outstanding share capital. However, CIC has received advances from the GRF to form its equity capitalization. The advances are an equity investment in CIC by the GRF. During the year ended March 31, 2024, CIC repaid $nil (2023 - $93.5 million) in equity advances to the GRF. Equity advances from the GRF have been invested in subsidiary Crown corporations. CIC, as a holding corporation for the Saskatchewan commercial Crown sector, does not carry any debt.

CIC's ability to pay regular dividends to the GRF depends mainly on the level of Crown corporation dividends to CIC, less CIC's operating costs. These operating costs may include support to Crown corporations, public policy expenditures and CIC's administrative expenses. Crown corporation dividend levels depend on their net earnings and capital structure. In addition to cash constraints, CIC's ability to declare dividends to the GRF depends on its retained earnings. CIC's earnings and hence, dividend capacity outlook, are sensitive to adverse developments in its operating expenditures and Crown corporation earnings.

For the year ending March 31, 2024, CIC declared and paid $152.0 million (2023 - $143.0 million) in dividends to the GRF.

10. Dividend revenue

(thousands of dollars)

		2024		2023
LGS/SGC	$	**139,116**	$	17,002
SaskTel		**38,167**		41,621
SaskEnergy		**20,638**		44,750
SaskPower		**18,460**		-
Information Services Corporation		**4,991**		4,991
SaskWater		**4,359**		7,775
	$	**225,731**	$	116,139

11. Net change in non-cash working capital balances related to operations

(thousands of dollars)

		2024		2023
Increase in interest and accounts receivable	$	**(48,013)**	$	(7,528)
(Increase) decrease in dividends receivable		**(53,260)**		26,651
Increase in interest and accounts payable		**48,267**		7,406
	$	**(53,006)**	$	26,529

CIC SEPARATE

12. Financial instruments

a) Market risk

Market risk reflects the risk that CIC's earnings will fluctuate due to changes in interest rates. CIC's cash is held in high interest bank accounts and will therefore adjust to fluctuations in the interest rate environment. CIC does not believe that the impact of fluctuations in interest rates will be significant and therefore has not provided a sensitivity analysis of the impact on net earnings. Cash is measured at fair value based on an active market.

b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. CIC's interest and accounts receivable consist of interest due on high interest savings account and contractual funding from the Government of Canada's FEF program. CIC has recorded no provision for expected credit losses on its interest and accounts receivable balance. Dividends receivable are due from CIC's subsidiaries within 90 days of period end. CIC has recorded no provision for expected credit losses on its dividends receivable.

c) Liquidity risk

Liquidity risk is the risk that CIC is unable to meet its financial commitments as they become due. CIC is a Saskatchewan Provincial Crown corporation and as such has access to capital markets through the GRF. All interest and accounts payable are current and due within the next operating cycle. Currently, CIC has sufficient resources to discharge all liabilities.

13. Related party transactions

Included in these separate financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to CIC by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). CIC has elected to take a partial exemption under IAS 24, *Related Party Disclosures* which allows government-related entities to limit the extent of disclosures about related party transactions with government and other government-related entities.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In addition, CIC pays Saskatchewan provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. CIC provides management services to CIC AMI without charge.

These separate financial statements and note disclosures separately describe other transactions and amounts due to and from related parties and the terms of settlement.

13. Related party transactions *(continued)*

Key management personnel compensation

In addition to salaries, CIC also provides non-cash benefits to the president and vice presidents and contributes to a post-employment defined contribution plan on their behalf. A retirement allowance is provided to executive officers and accumulates at a rate of 1.92 per cent of their respective gross salary per year (2023 - 1.92 per cent).

Key management personnel compensation is comprised of:
(thousands of dollars)

	2024	2023
Salaries and short-term employee benefits	**$ 1,530**	$ 1,465
Employee future benefits	**144**	146
Termination benefits	**89**	353
Other	**13**	13
	$ 1,776	$ 1,977

CIC SEPARATE

GLOSSARY
OF TERMS

At the peak of construction, more than 500 workers were involved in building Great Plains Power Station. Eighty-four per cent were from Saskatchewan, and 17 per cent were local from Moose Jaw.

SaskPower
Powering our future®

Accumulated Other Comprehensive Income (Loss)
Comprises the accumulated balance of all components of other comprehensive income (loss), being revenues, expenses, gains and losses that, in accordance with primary sources of International Financial Reporting Standards, are recognized in comprehensive income (loss), but excluded from net earnings.

Capital Resources
The funds that have been invested in and loaned to the corporation to allow it to carry out its operations and investment activities. A corporation's capital consists of its debt and equity.

Capital Structure
The relative percentage of debt compared to equity for a corporation. The ideal capital structure for a corporation is usually specific to its industry and depends on factors such as the level of capital assets required to maintain operations, the cost of borrowing, the risk association with the industry, and shareholder expectations.

Comprehensive Income (Loss)
The change in equity (net assets) of an enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners.

Debt Ratio
Measures the per cent of debt in the overall capital structure of an organization and is used to evaluate its financial flexibility. It is calculated as total debt from ongoing operations (long-term debt plus long-term debt due within one year plus notes payable) less sinking funds divided by the corporation's capital (debt plus equity).

Derivative
A contract or security that obtains its value from price movements in a related or underlying security, future of other instrument or index.

Dividend Capacity
The financial ability that a firm has to pay dividends. Dividend capacity is determined by identifying cash sources from operations, analyzing reinvestment needs and the target capital structure, and then determining surplus cash.

Dividend Payout Rate
Crown corporation dividends are typically based on earnings from operations; however, various factors may lead to an amount being set on an alternate basis.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

Forward Contract
A contractual commitment to buy or sell a specified currency at a specific price and rate in the future.

General Revenue Fund (GRF)
The GRF is a special purpose fund that the government uses to pay for most of the programs it provides. It is the Government of Saskatchewan's central accounting entity where all public monies are deposited to and disbursed from, as authorized by the legislative assembly.

Minimum Capital Test (MCT)
The minimum capital test is a capital adequacy test widely used in the insurance industry and indicates capital available to pay claims compared to capital required.

Other Comprehensive Income (Loss)
Comprises revenue, expenses, gains and losses that, in accordance with primary sources of International Financial Reporting Standards, are recognized in comprehensive income (loss), but excluded from net earnings.

Performance Management Plans
Plans that are developed by each Crown corporation detailing key strategic priorities, measures and targets for a given year. They are also referred to as business plans, and typically include the corporation's budget for the year.

Return on Equity
A measure of profitability that relates a company's earnings to the investment by its owners. It is calculated as net earnings divided by the average shareholder's equity.

Significant Transaction
Significant transactions are those judged by a Crown corporation to be sensitive and likely of interest to legislators and the public or where the transaction is both material and outside the organization's course of business and involves:

- the acquisition of a major investment or asset, or the assumption of a major liability;
- a change in the terms and conditions governing an existing investment or asset; or
- the divestiture of a major asset or investment.

Sinking Fund
An account held for the specific purpose of paying down an existing debt instrument (e.g., loan) that has a maturity date in the future. Money is placed in the fund over the period which the debt is held and then used to pay off the debt at its maturity. Sinking funds are recorded as investments for financial reporting purposes.

DIRECTORY

Large-scale solar arrays were installed at three SaskEnergy sites in 2023-24, as part of the company's commitment to reducing emissions from operations by 35 per cent by 2030.

SaskEnergy

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