



# PROVINCE OF SASKATCHEWAN

(CANADA)

## 2004-05 BUDGET

(Financial Highlights of 2004-05 BUDGET, March 31, 2004)

March 31, 2004

### General Revenue Fund in surplus for 11<sup>th</sup> consecutive year

### GRF Debt essentially unchanged in fiscal year 2005

#### Summary Statement of Surplus (Deficit)

(\$ Millions)

	Estimated 2004-05	Forecast 2003-04	Estimated 2003-04
<b>Treasury Board Organizations</b>			
<b>GRF<sup>1</sup></b>			
Revenue	\$ 6,590.5	\$ 6,474.7	\$ 6,228.0
Operating Expenditure	6,134.5	6,083.4	5,911.4
<b>GRF Operating Surplus</b>	<b>\$ 456.0</b>	<b>\$ 391.3</b>	<b>\$ 316.6</b>
Servicing the Public Debt	(614.0)	(605.0)	(650.0)
FSF <sup>2</sup> Transfer	158.1	275.4	392.7
<b>GRF Surplus (Deficit)</b>	<b>\$ 0.1</b>	<b>\$ 61.7</b>	<b>\$ 59.3</b>
Less: FSF Transfer	(158.1)	(275.4)	(392.7)
Plus: Other TBO <sup>3</sup> Net			
Income (Loss) net of dividends to GRF	(164.6)	(122.6)	(108.4)
Surplus (Deficit) of all TBO	\$ (322.6)	\$ (336.3)	\$ (441.8)
<b>Crown Management Board Organizations</b>			
Plus: CMBO <sup>4</sup> Net			
Income (Loss) net of dividends to GRF	56.5	147.4	96.0
Surplus (Deficit) <sup>5</sup>	\$ (266.1)	\$ (188.9)	\$ (345.8)
Plus: Surplus (Deficit) of Not-for-Profit Insurance Organizations	\$ (17.7)	\$ (48.0)	\$ (20.8)
<b>Summary Surplus (Deficit)</b>	<b>\$ (283.8)</b>	<b>\$ (236.9)</b>	<b>\$ (366.6)</b>

<sup>1</sup> General Revenue Fund

<sup>2</sup> Fiscal Stabilization Fund

<sup>3</sup> Treasury Board Organizations

<sup>4</sup> Crown Management Board Organizations

<sup>5</sup> Prior to Not-for-Profit Insurance Organizations

#### Debt of the Province as at March 31

(\$ Millions)

	Estimated 2005	Forecast 2004	Actual 2003
<b>Crown Corporation Debt</b>			
Gross Debt	\$ 3,784.8	\$ 3,920.4	\$ 3,822.0
Sinking Funds	(246.2)	(211.3)	(195.2)
	\$ 3,538.6	\$ 3,709.1	\$ 3,626.8
Guaranteed Debt	0.6	1.3	30.8
<b>Crown Corporation Debt</b>	<b>\$ 3,539.2</b>	<b>\$ 3,710.4</b>	<b>\$ 3,657.6</b>
<b>Government Debt</b>			
Gross Debt	\$ 8,932.6	\$ 8,703.7	\$ 8,512.4
Sinking Funds	(723.3)	(735.6)	(690.9)
	\$ 8,209.3	\$ 7,968.1	\$ 7,821.5
Guaranteed Debt	79.0	115.6	153.2
<b>Government Debt</b>	<b>\$ 8,288.3</b>	<b>\$ 8,083.7</b>	<b>\$ 7,974.7</b>
<b>Total GRF Debt</b>	<b>\$ 11,827.5</b>	<b>\$ 11,794.1</b>	<b>\$ 11,632.3</b>
Other Debt*	396.2	459.7	398.2
<b>Summary</b>			
<b>Statement of Debt</b>	<b>\$ 12,223.7</b>	<b>\$ 12,253.8</b>	<b>\$ 12,030.5</b>

\* Some Crown corporations and other organizations have obligations to other entities, either by borrowing directly or by guaranteeing the debt of others. The General Revenue Fund is not responsible for this other debt.

#### Credit Ratings of the Province

Standard & Poor's	A+
Moody's Investors Service	AA3
Dominion Bond Rating Service	A

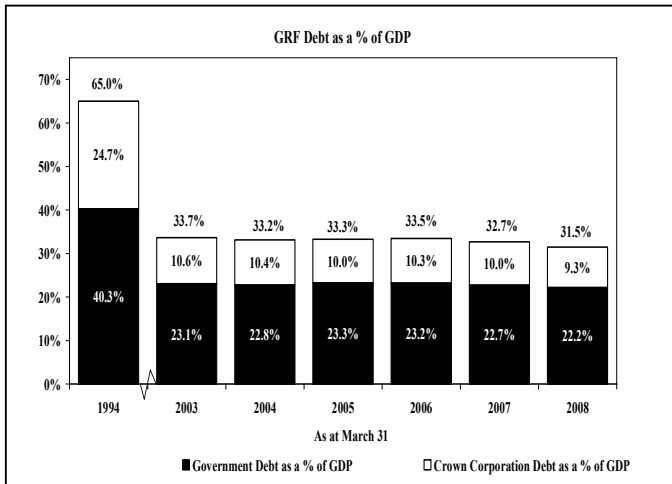
#### Summary Financial Plan

With the 2004-05 Budget, the government has enhanced the presentation of its financial data through the introduction of the Summary Financial Plan. The Summary Financial Plan combines the financial plan, or Budget, of the General Revenue Fund with the "bottom line" plans of Crown corporations and other organizations.

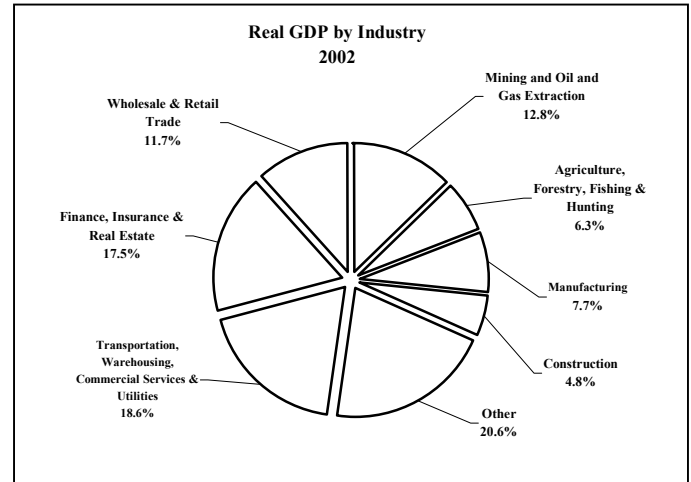
*" . . . the government has been diligent in creating accountability and transparency in our fiscal operations. We have introduced balanced budget legislation, interim financial reporting, and Summary Financial Statements. . . Today we are moving forward once again with the introduction of the Summary Financial Plan that accompanies this year's budget. This plan is a consolidated look at all government departments, Crowns, agencies, and boards."*

*Honourable Harry Van Mulligen  
Minister of Finance*

## Government debt stable as a percentage of GDP

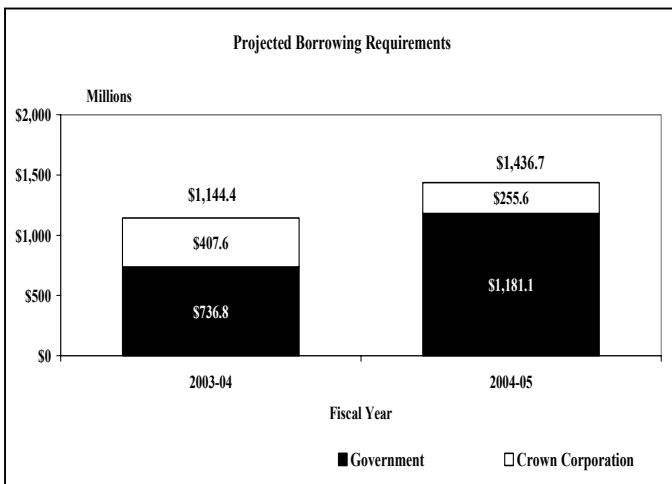


## Natural resources is the largest goods-producing sector of the economy



Source: Statistics Canada

## Borrowing requirements are primarily for government debt



## Crop production rebounded in 2003; non-farm economy strong – led by mining and construction industries

- Crop production increased to 21.8 million tonnes in 2003, an increase of 45.9 per cent over 2002.
- Employment grew by 4,800 jobs in 2003.
- 5.6 per cent unemployment rate, third lowest among the Canadian provinces.
- Residential housing starts increased by 11.9 per cent and the value of building permits increased by 7.3 per cent.
- Retail sales increased by 3.6 per cent while the value of manufacturing shipments increased by 3.7 per cent in 2003.
- Natural gas production up 7.5 per cent while sales of natural gas and crude oil increased by 77.7 per cent and 4.3 per cent, respectively, through the first 11 months of 2003.
- Total oil and natural gas drilling increased 19.2 per cent last year, led by the 23.6 per cent increase in the number of new natural gas wells drilled.

## Canadian domestic public market primary source for borrowing

Borrowing Sources	Actual 2003-04	Estimated 2004-05
(\$ Millions)		
International	\$ 200.0	\$ 300.0
Canadian Debentures	650.0	800.0
Canadian MTNs	100.0	120.0
Promissory Notes	20.0	36.0
Canada Pension Plan	40.2	40.7
Sask. Savings Bonds	134.2	140.0
<b>Total</b>	<b>\$ 1,144.4</b>	<b>\$ 1,436.7</b>

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