



PROVINCE OF SASKATCHEWAN

(CANADA)

2012-13 BUDGET

(Financial Highlights of 2012-13 BUDGET)

March 21, 2012

General Revenue Fund and Summary Financial Statements in surplus for 2012-13

Summary Statement of Surplus (Deficit)

(\$ Millions)

	Estimated 2012-13	Forecast 2011-12*	Estimated 2011-12*
Treasury Board Organizations			
General Revenue Fund (GRF)			
Revenue	\$11,290.9	\$11,075.2	\$10,803.3
Expense	11,195.9	11,019.4	10,688.3
Pre-Transfer Surplus (Deficit)	\$ 95.0	\$ 55.8	\$ 115.0
Net Transfer from (to) GFSF ¹	(47.5)	297.1	267.5
GRF Surplus	\$ 47.5	\$ 352.9	\$ 382.5
GFSF Net Transfer	47.5	(297.1)	(267.5)
Other TBO ² Net (Loss) net of dividends to GRF**	(360.5)	(393.7)	(423.9)
(Deficit) Surplus of all TBO	\$ (265.5)	\$ (337.9)	\$ (308.9)
CIC Board Organizations			
CIC BO³ Net Income (Loss)			
net of dividends to GRF	193.5	176.8	227.9
(Deficit) Surplus ⁴	\$ (72.0)	\$ (161.1)	\$ (81.0)
(Deficit) Surplus of Not-for-Profit Insurance Organizations	86.8	(147.8)	135.3
Summary (Deficit) Surplus	\$ 14.8	\$ (308.9)	\$ 54.3

1 Growth and Financial Security Fund

2 Treasury Board Organizations

3 CIC Board Organizations

4 Prior to Not-for-Profit Insurance Organizations

* GRF Revenue and Expense restated. Commissions paid to tax vendors are now recorded as expense instead of deducted from revenue

** Includes accrual adjustment for pensions

Key economic assumptions for 2012 and 2013:

	2012	2013
Can. Real GDP Growth (%)	2.1	2.9
Can. Dollar (U.S. cents)	99.40	101.80
WTI Oil (US\$/barrel)	100.00	102.00
Natural Gas (C\$/GJ)	3.00	3.50
Potash (US\$/KCl tonne)	460.17	477.11

Source: Ministry of Finance

Credit Ratings of the Province

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

Government public debt estimated at \$3.8 billion, the lowest level since 1987-88. Crown corporation debt increasing to support economic growth.

Debt of the Province as at March 31

(\$ Millions)

	Estimated 2013	Forecast 2012	Actual 2011
Government			
Gross Debt	\$ 5,007.7	\$ 5,910.9	\$ 6,111.7
Sinking Funds	(1,197.5)	(2,100.7)	(1,976.5)
Government Public Debt	\$ 3,810.2	\$ 3,810.2	\$ 4,135.2
Crown Corporation			
Gross Debt	\$ 6,041.8	\$ 4,967.4	\$ 4,438.2
Sinking Funds	(595.0)	(539.8)	(455.3)
Crown Corporation Public Debt	\$ 5,446.8	\$ 4,427.6	\$ 3,982.9
Public Debt	\$ 9,257.0	\$ 8,237.8	\$ 8,118.1
Other Debt*	389.1	246.8	229.5
Summary Statement of Debt	\$ 9,646.1	\$ 8,484.6	\$ 8,347.6
Summary Statement of Guaranteed Debt			
Guaranteed Debt	\$ 41.2	\$ 29.7	\$ 29.1

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

A Surplus General Revenue Fund Budget

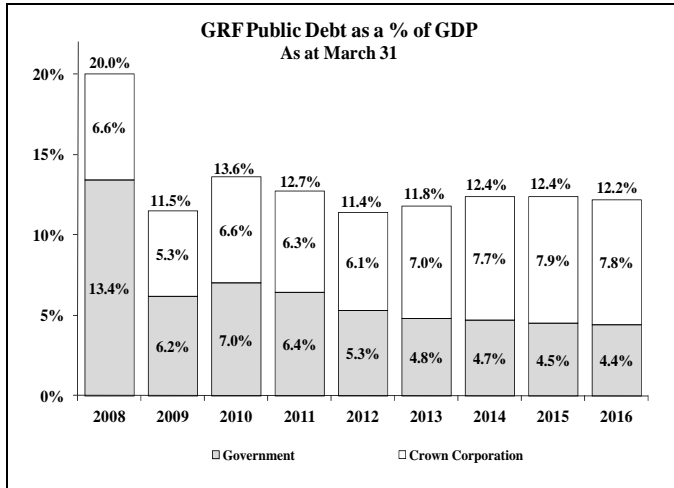
Expenses are estimated to increase by 4.7 per cent from the 2011-12 Budget to \$11.2 billion.

- Health is up 4.9 per cent including a 3.5 per cent operating increase for Regional Health Authorities.
- Capital expenditures across government are up 32.4 per cent to \$788 million.
- Municipal Revenue Sharing will increase by \$20.6 million to \$237.4 million.
- Debt servicing costs will decline to \$400 million, a 4.8 per cent reduction.

Revenues are estimated to be \$11.3 billion, comprised of:

- \$9.7 billion (86 per cent of total revenue) in own-source revenue which includes taxes, non-renewable resources, transfers from Crown entities and other own-sources
- \$1.6 billion (14 per cent) in federal transfers, which include health and social transfers and federal-provincial cost-sharing agreements.

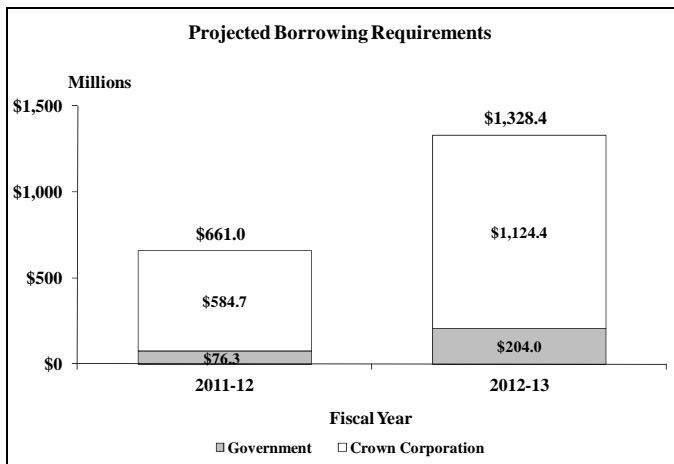
Public debt as percentage of GDP remains below 2008 level throughout forecast period



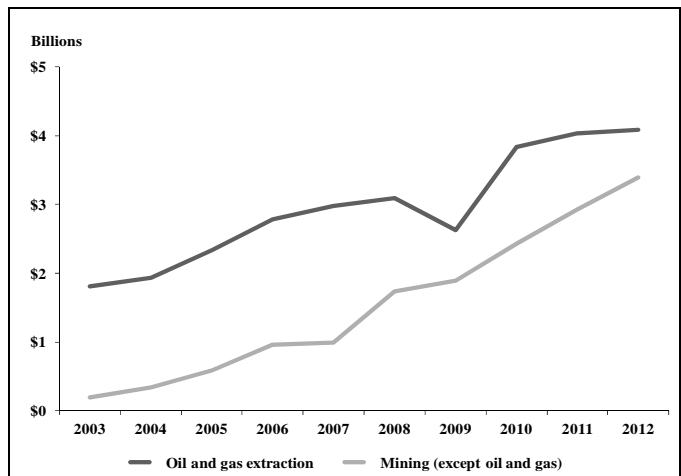
Saskatchewan's economy performed well in 2011 and is expected to continue to perform well again in 2012 and 2013

- Population reached 1,063,535 in October 2011, a historic high.
- Among the provinces, achieved:
 - highest growth in retail sales, wholesale trade and building permits;
 - second strongest growth in new vehicle sales, manufacturing sales, international exports and housing starts;
 - third highest growth in private and public investment and average weekly earnings; and
 - lowest unemployment rate at 5.0 per cent.
- Real GDP growth of 3.6 per cent in 2011 and projected real GDP growth of 2.8 per cent in 2012 and 2.6 per cent in 2013.

Borrowing requirements primarily to fund Crown corporation capital and debt refinancing



Mining investment including investment related to the expansion of the potash industry has been on a remarkable upward trend in recent years and is expected to continue to increase in 2012



Source: Statistics Canada

Canadian domestic public market primary source for borrowing

Borrowing Sources	Forecast 2011-12	Estimated 2012-13
(\$ Millions)		
International	\$ -	\$ -
Canadian Debentures	300.0	900.0
Promissory Notes	256.8	365.7
Canada Pension Plan	104.2	62.7
Total	\$ 661.0	\$ 1,328.4

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