

## 2006-07 Mid-Year Report Key Facts & Figures

### Improved Bottom Line

- **\$402.3 million forecast revenue increase for the year**, compared to Budget (this figure includes the \$72.9 million improvement for the year as reported at First Quarter)
- **\$171.9 million of this increase due to tax revenues**
- **\$34.5 million GRF surplus** forecast, with no draw from the Fiscal Stabilization Fund

### Revised Revenue Forecast

<b>REVISED REVENUE</b> (MILLIONS OF DOLLARS)	
<b>Tax Revenue</b>	<b>\$ 171.9</b>
<b>Non-Renewable Resources</b>	<b>101.0</b>
<b>Other Own-Source Revenue</b>	<b>48.5</b>
<b>Federal Transfers</b>	<b>80.9</b>
<b>Total Revenue Forecast Changes</b>	<b>402.3</b>
<b>Budget Revenue Estimate</b>	<b>7,727.2</b>
<b>Mid-Year Total Revenue Projection</b>	<b>\$ 8,129.5</b>

### First Quarter Recap

The **\$402.3 million forecast improvement for the year at Mid-Year includes** the **\$72.9 million improvement for the year as forecast in the First Quarter Report in July**. That improvement went towards fully funding the Canadian Agricultural Income Stabilization (CAIS) program for 2006 (\$60 million), repairs for flood-damaged roads and other initiatives.

### Revised Oil Price Forecast

<b>SASKATCHEWAN OIL FORECASTS</b>	
<b>As reported at:</b>	<b>FISCAL Year 2006-07 US\$/barrel</b>
Budget – April 2006	58.75
First Quarter – July 2006	64.26
<b>Mid-Year – November 2006</b>	<b>65.29</b>

### Expense increase of \$324.7 million; majority of changes in the following areas:

- **Advanced Education and Employment is up \$71.5 million from budget.** The increase is primarily due to funding provided by the federal government from the Post-Secondary Education Infrastructure Trust (Bill C-48), funding for labour market initiatives and maintenance capital funding for universities and federated colleges.
- **Agriculture and Food is up \$66.6 million from budget**, primarily due to fully funding the 2006 CAIS program and the new Unseeded Acreage Payment program. The increase is partially offset by a reduction in crop insurance premiums.
- **Community Resources is up \$48.9 million from budget**, primarily due to funding provided by the federal government from the Affordable Housing Trust and the Off-Reserve Aboriginal Housing Trust (Bill C-48).
- **Corrections and Public Safety is up \$13.5 million from budget.** The increase is primarily due to an increase in eligible claims in the Provincial Disaster Assistance Program in 2005-06 and 2006-07, as well as the use of contingency bed space to meet higher inmate counts in adult corrections.

- **Culture, Youth and Recreation is up \$22.1 million from budget.** The increase is primarily to begin funding the Building Communities program to provide for new construction, sustainable development and rehabilitation of recreational, cultural, social and economic infrastructure.
- **Environment is up \$15.1 million from budget,** primarily to expense the cost of the downed plane and to provide for green initiatives.
- **First Nations and Métis Relations is up \$11.5 million from budget.** The increase is largely due to higher-than-anticipated payments to the First Nations Trust and Community Development Corporations based on higher Saskatchewan Indian Gaming Authority (SIGA) net income in 2005-06 and an increase in the 2006-07 net income forecast.
- **Government Relations is up \$14 million from budget.** The increase is primarily a result of additional funds provided by the federal government for the Public Transit Program (Bill C-48), partially offset by savings due to delays in construction in other infrastructure programs.
- **Health is up \$30.4 million from budget.** The increase is primarily due to the health sector recruitment and retention initiatives, joint job evaluation project, higher-than-anticipated utilization in out-of-province medical services and cost increases in the Saskatchewan Prescription Drug Plan.
- **Highways and Transportation is up \$22.6 million from budget.** The increase is primarily due to repairing flood and moisture-related damage to the provincial highway system, winter construction and planning work, and funding for First Nations access roads.
- **Justice is up \$2.4 million from budget,** primarily related to increased RCMP expenses and the Milgaard Inquiry.
- **Learning is up \$22.2 million from budget,** primarily related to funding K-12 capital project commitments and capital construction inflation.
- **There is a new \$7 million grant for SaskEnergy** to provide assistance in the delivery of natural gas to La Ronge and Weyakwin.

**These increases are partially offset by savings primarily in the following:**

- **Industry and Resources is down \$19.5 million from budget,** primarily due to the cancellation of the Maple Leaf Foods agreement and delays in ethanol production.
- **Teachers' Pensions and Benefits is down \$2.9 million from budget,** primarily due to lower-than-anticipated requirements for the provincial contribution to the Teachers' Extended Health Plan.

#### **Fiscal Stabilization Fund (FSF)**

- **No reliance on FSF to balance the books**
- Due to improved financial circumstances, **Government has decided to cash fund the FSF – further increasing accountability of the fund**
- **\$887.5 million cash balance** forecast in the FSF at the end of 2006-07

#### **Debt**

- **At Mid-Year, government debt is at \$7.3 billion, compared to a high of \$9.2 billion in 1994**
- **At March 2007, Government debt to Gross Domestic Product (GDP) forecasted at 16.4 per cent, its lowest point in almost 20 years.**
- **Interest costs as a percentage of provincial revenue have decreased** from a high of 19 per cent in 1994, to a forecasted seven per cent in 2007.
- **In the last two years alone – largely thanks to strong oil and gas performance, combined with sound financial management – government debt has been permanently reduced by \$446.7 million (in 2004-05, debt was permanently reduced by \$179.3 million and in 2005-06, \$267.4 million).**
- **Government has received 15 credit rating upgrades since 1995,** the most recent one coming on November 14, when Moody's Investors Service boosted Saskatchewan's long-term debt ranking to Aa1 from Aa2.