



## Message from the Minister

I am pleased to present the Ministry of Finance's 2011-12 Annual Report Highlights, which specifies the Ministry's most notable accomplishments in support of Government's vision and goals.

The Ministry's Annual Report demonstrates how the Ministry has contributed to the progress of our *Government's Direction for 2011-12: The Saskatchewan Advantage*.

This was accomplished through further tax reductions, enhanced programs in health, education and social services, along with debt reduction and a balanced budget. The foundation for the future was strengthened by reducing debt by another \$327.6 million. While other jurisdictions saw debt rising with deficit budgets, Saskatchewan's debt and interest payments fell.

For more information please see the Ministry's 2011-12 Annual Report.

*The Honourable Ken Krawetz*  
Deputy Premier  
Minister of Finance

### Mission Statement:

To provide expert economic, financial and fiscal policy advice and professional services in the management and control of the Government's revenues, expenditures and financial assets and liabilities.



Photo Credit: Tourism Saskatchewan/Greg Huszar Photography



Photo Credit: Tourism Saskatchewan/Greg Huszar Photography



## Ministry of Finance 2011-12 Annual Report Highlights

### The Saskatchewan Advantage



Photo Credit: Tourism Saskatchewan/Greg Huszar Photography

### Ministry Overview

As a central agency, the Ministry of Finance is responsible for advising the government on financial implications associated with policy decisions that span across all ministries and agencies. The Ministry, with direction from Treasury Board and Cabinet, assists in managing and controlling the finances of the province to ensure appropriate use of public funds.

The Ministry is also responsible for receiving the majority of revenues for the Government of Saskatchewan. These include revenues from taxation, transfers from government entities, such as the Crown Investments Corporation of Saskatchewan, and transfers from the federal government.

Each year Finance leads a process to produce the Provincial Budget, and develops and publishes financial accountability reports, including the Public Accounts. Payments are disbursed through the Ministry to fund public services such as health care, education and road maintenance.

The Ministry regularly updates Government on the Province's revenue, expense and debt position, provides economic forecasting and administers provincial taxes and grant and refund programs.

Finance's eight core business areas are:

- Budget Analysis/Tax Policy
- Comptrollership/Financial Management
- Treasury and Debt Management
- Revenue Operations
- Performance Planning, Measuring, and Reporting
- Personnel Policy Secretariat
- Central Management and Services
- Pension and Benefits Administration



Photo Credit: Tourism Saskatchewan/Paul Austuring

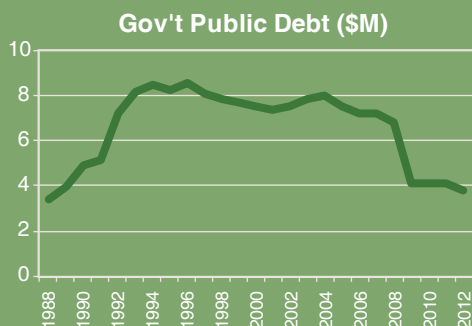
For more information on the Ministry, see  
[www.finance.gov.sk.ca](http://www.finance.gov.sk.ca) or call 306-787-6623



## Leading the way with balanced budgets and lower debt...

Debt reduction is a priority for the Government of Saskatchewan. It results in lower interest costs and greater financial flexibility.

In 2011-12, the Government of Saskatchewan was able to pay down another \$327.6 million, bringing the Government general debt level to \$3.8 billion, the lowest level since 1987-88.



Since 2007, the Government has paid down more than \$3 billion in debt, improving our ratio of debt compared to Gross Domestic Product (GDP) and resulting in improved credit ratings by independent rating agencies.

A decreasing debt-to-GDP ratio indicates a declining drain on economic resources to service and repay debt. Investor confidence is influenced by this ratio because it provides a measure of the Province's debt relative to the size of the economy.

Standard & Poor's upgraded Saskatchewan's credit rating to AAA, the highest level possible. This upgrade was due in part to Saskatchewan's rebounding economy and its low and declining debt burden.

## VISION

*A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.*

Photo Credit: Tourism Saskatchewan/Greg Huszar Photography

## Our 2011-12 Significant Achievements

### Sustaining Economic Growth...

- Finance leads a planning and budget process that ensures expenditure, tax policy, debt management, and human resource decisions align with Government's priorities.
- The Ministry closely monitors several economic, fiscal and demographic indicators. Private sector forecasters expect Saskatchewan real GDP to grow by 3.0 per cent in 2012 - the second highest growth among provinces, and 3.1 per cent in 2013 - also the second highest growth among provinces.

### Securing Saskatchewan...

- Finance reviews provincial tax policies to ensure the system is fair, adequate, and competitive. During 2011-12, Finance prepared legislation enabling the implementation of the income tax initiatives announced in the 2011-12 Budget, including a \$1,000 increase to the basic and spousal tax credit amounts, a \$500 per child increase in the dependent child amount and a reduction in the small business corporate income tax rate from 4.5 per cent to 2 per cent.

### Keeping Promises...

- In 2011-12, Finance repaid debt, resulting in a \$327.6 million reduction in Government general public debt.
- The Government committed to maintain a significant balance in the Growth and Financial Security Fund. This balance was \$0.7 billion at March 31, 2012.
- The Ministry prepared the GRF and Summary 2010-11 financial statements, which were tabled on June 24, 2011, demonstrating Finance's leadership for good governance, transparency, and accountability across government.
- Finance participated in a number of projects aimed at improving the ease of tax compliance and the efficiency of revenue collection.
- Finance continued development work on the consolidation of the Government's accounts payable processing function into a centralized unit, which includes standardized processes and increased automation.



Photo Credit: Government of Saskatchewan

### Financial Summary Ministry Expenses

2011-12 Budget (000s)	2011-12 Actual (000s)	Variance (000s)
\$339,771	\$358,237	\$18,466

Actual FTEs: 304.7



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