2020-21 Annual Report

CIC

Crown Highlights

Supporting a strong Saskatchewan economy through the Crown sector

2020-21

At a glance....

9.7%
Consolidated Return on Equity
return on the public's investment

59.5%
Consolidated Debt Ratio
healthy financial capacity

$1.2 BILLION
Investment in Infrastructure
ensuring economic strength and stimulating the economy

$150 MILLION
CIC Payments to the GRF
supports spending for government priorities

$585.4 MILLION
Consolidated Net Earnings
strong Crown sector results

www.cicorp.sk.ca

COVID-19

$639 MILLION

Crown Sector Supports

The Crown sector provided more than $639 million in programming and economic supports in 2020-21 to help ease the impact of the pandemic in Saskatchewan.

$51,000
SOCO Rent Deferrals
supporting smaller research park tenants

$45,000
SaskWater Monthly Charges Waived
supporting local recreation facility

$158,000
Crown Sector Donations
supporting Saskatchewan food banks, shelters and crisis service agencies

$8.7 MILLION
SaskTel Credits, Programming and Waived Data Overages
supporting remote work and learning supports

$8.4 MILLION
SaskPower Temporary Relief and Waived Charges
supporting oilfield customers

$752,065
SGI CANADA and Saskatchewan Auto Fund Waived Transaction Fees
supporting Saskatchewan residents

$74 MILLION
Crown Utility Interest Waiver Program
deferred payments supporting business and residential customers

$262 MILLION
Economic Recovery Rebate
one-year, 10% rebate on SaskPower bills, supporting residents and businesses

$285 MILLION
Auto Fund Rebates
supporting Saskatchewan registered vehicle owners

SaskPower
Powering the future

SaskTel

CIC

SGI

SaskEnergy

*CIC, SaskPower, SaskTel, SGI and SaskEnergy continued to support **STARS** through a multi-year funding agreement.*

STARS missions met the challenge of COVID-19 by carrying and treating patients with suspected and confirmed COVID-19. In Saskatchewan, STARS flew 884 missions over the course of the year, and the crew facilitated education and training for 715 medical personnel in rural communities across the province.

*In addition to its annual funding commitment, CIC supported the **Night with Stars** gala held October 3, 2020, a live drive-in concert held to raise funds for STARS to continue flying and caring for critically ill and injured patients across our province.*

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Letter of Transmittal

Regina, July 2021

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

Dear Sir:

I have the honour to submit herewith the annual report of the Crown Investments Corporation of Saskatchewan for the fiscal year ending March 31, 2021, 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 Don Morgan, Q.C.
Minister of Crown Investments Corporation

Minister's Message

2020-21 presented real challenges for Saskatchewan. In this province, we deal with challenges head on, but this year proved to be especially difficult. I am pleased to report that Saskatchewan's Crown corporations rose to the challenge.

The COVID-19 pandemic arrived in Saskatchewan coinciding with volatile resource markets, resulting in a double punch to the economy. What we see now, as we look in the rearview mirror, is the resourcefulness of our people, the strength of our business foundation, and the resilience of our economy.

Crown corporations are integral to maintaining Saskatchewan's high quality of life, delivering safe, reliable and affordable services. The sector contributes to the success of the province by providing sustainable financial returns, delivering high quality services, investing in communities and enabling growth. So, it's no surprise that the Crown sector played a key role in supporting people and businesses throughout this past year's challenges.

During the height of the pandemic waves, up to 75 per cent of sector staff shifted to working remotely to ensure Saskatchewan people continued to receive services. The other 25 per cent stayed on the front lines, ensuring that people working and learning from home also had the services they required. Add to that the Crown programs offered to support residents and businesses experiencing economic hardship, including the Economic Recovery Rebate through a SaskPower ten per cent reduction and the Crown Utility Interest Waiver Program providing utility payment deferrals and repayment plans, and you see the integral role the sector had in 2020-21.

Despite these challenges, the sector maintained financial contributions to the province providing a $150 million dividend to the General Revenue Fund (GRF) with $585.4 million in earnings and $1.2 billion in capital spending – capital programs geared at stimulating the economy, creating jobs and helping to fuel economic recovery. The Crown sector is a key component of our plan to focus on recovery and return Saskatchewan to balance.

As we move forward, we look to the Crown sector to help drive the province's recovery and future growth. Together, Crown corporations will continue to focus on delivering high quality service, protecting Saskatchewan's quality of life, helping to build our communities, and facilitate economic growth.

Thank you to the dedicated and professional Crown sector management and staff who found ways to achieve these goals and overcome these obstacles this past year. Now, and into the future, we will continue to rely on strong leadership from our Crown sector.

Don Morgan, Q.C.
CIC Board Chair

President’s Message

In 2020-21, when the COVID-19 pandemic hit the province, the Crown sector was also impacted. In true Saskatchewan style, they collaboratively stepped forward to not only maintain services and utilities, but also to provide programs and supports to help residents, businesses and industries hit hard by the economic and social impacts that took hold.

The Crown sector provided more than $639 million in programming and economic supports to help ease the impact of the pandemic and keep the economy going. This included the Crown Utility Interest Waiver Program deferring approximately $74 million in utility payments, providing $262 million in customer savings with a ten per cent power rebate, and $285 million in Auto Fund rebates.

SaskTel provided $8.7 million of support – internet credits, free content and TV channels, waived data charges for working and learning remotely – helping people stay connected during quarantine, isolation, and working and learning from home. SaskPower provided $8.4 million of temporary relief and waived basic monthly charges to oilfield customers dealt a double punch of low commodity prices in addition to pandemic shutdowns around the world.

Crown corporations continued to deliver safe, reliable and affordable services achieving the lowest cost utility expense in Canada in 2021. The Crowns maintained financial contributions to the GRF and continued capital spending plans using best value procurement so important to stimulating the economy. Crown capital plans continued renewing aging infrastructure, enhancing services, creating jobs, and supporting Saskatchewan businesses who also fuel economic recovery.

The Crown sector is integral to the province’s economic recovery and growth. Whether that means financial contributions to the GRF supporting government priorities, providing resources for public policy initiatives, or delivering high quality services, the Crown corporations are part of Saskatchewan’s one-team effort to return to balance and growth.

The challenges of this past year were met head on by Crown sector employees. The innovation and adaptability shown was the result of dedicated professionals coming together to support Saskatchewan people. Thank you to every member of the 11,000-strong team for what was a very challenging, yet successful year.

Kent Campbell
President & CEO

Corporate Information

CIC was pleased to support the Paul J. Hill School of Business, Jeux du Commerce West (JDC West) team virtual competition. Western Canadian universities compete in the categories of academics, athletics, debate and social competitions and a charity and community involvement component. The Hill JDC West team are consistently strong competitors. Their accomplishments from this year's virtual competition are impressive, including: Entrepreneurship – 1st Place; Finance –1st Place; Charitable Volunteer Hours – 1st Place with 1,141 hours; Charitable Fundraising – 2nd Place; and 3rd Place finishes in Debate and Participation.

Corporate Overview

Crown Investments Corporation of Saskatchewan (CIC) is the financially self-sufficient holding company for seven subsidiary commercial Crown corporations and three wholly-owned subsidiaries. In its oversight role of the Crown sector, CIC is responsible for the development and oversight of broad policy initiatives, directing investment and providing 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, 2021, the subsidiary Crown corporations and wholly-owned subsidiaries included:

Insurance
Saskatchewan Government Insurance (SGI CANADA)[2]

Investment & Economic Growth
Saskatchewan Opportunities Corporation (SOCO)
CIC Asset Management Inc. (CIC AMI)[1]
Saskatchewan Immigrant Investor Fund Inc. (SIIF)[1]

Entertainment
Saskatchewan Gaming Corporation (SGC)

Utilities
Saskatchewan Power Corporation (SaskPower)
Saskatchewan Telecommunications (SaskTel)
SaskEnergy Inc. (SaskEnergy)
Saskatchewan Water Corporation (SaskWater)

Other
First Nations & Métis Fund Inc. (FNMF)[1]
CIC Economic Holdco Ltd.[3] (Saskatchewan Entrepreneurial Fund)

[1] On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated and the entity will continue to operate as CIC AMI.

[2] 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.

[3] CIC Economic Holdco Ltd. was dissolved on January 22, 2021 after its investments were divested.

OUR VISION

To develop a more efficient, responsive and financially sustainable Crown sector that addresses the challenges of a growing Saskatchewan.

OUR MISSION

As the holding company, we provide leadership and support that enables our Crown corporations to contribute to Saskatchewan's economic success and improved quality of life.

OUR VALUES

INTEGRITY

We are trustworthy, respectful of others, and hold each other accountable. We honour our commitments and conduct our business in the most ethical manner.

EXCELLENCE

We continuously challenge ourselves to improve and innovate, striving to achieve our highest potential in all areas of our business. Our stakeholders should expect only the highest business standards.

LEADERSHIP

We provide guidance and inspiration for the Crown sector to effectively and efficiently fulfill its mandate. We develop leaders at all levels and value the commitment and contributions of our employees and partners.

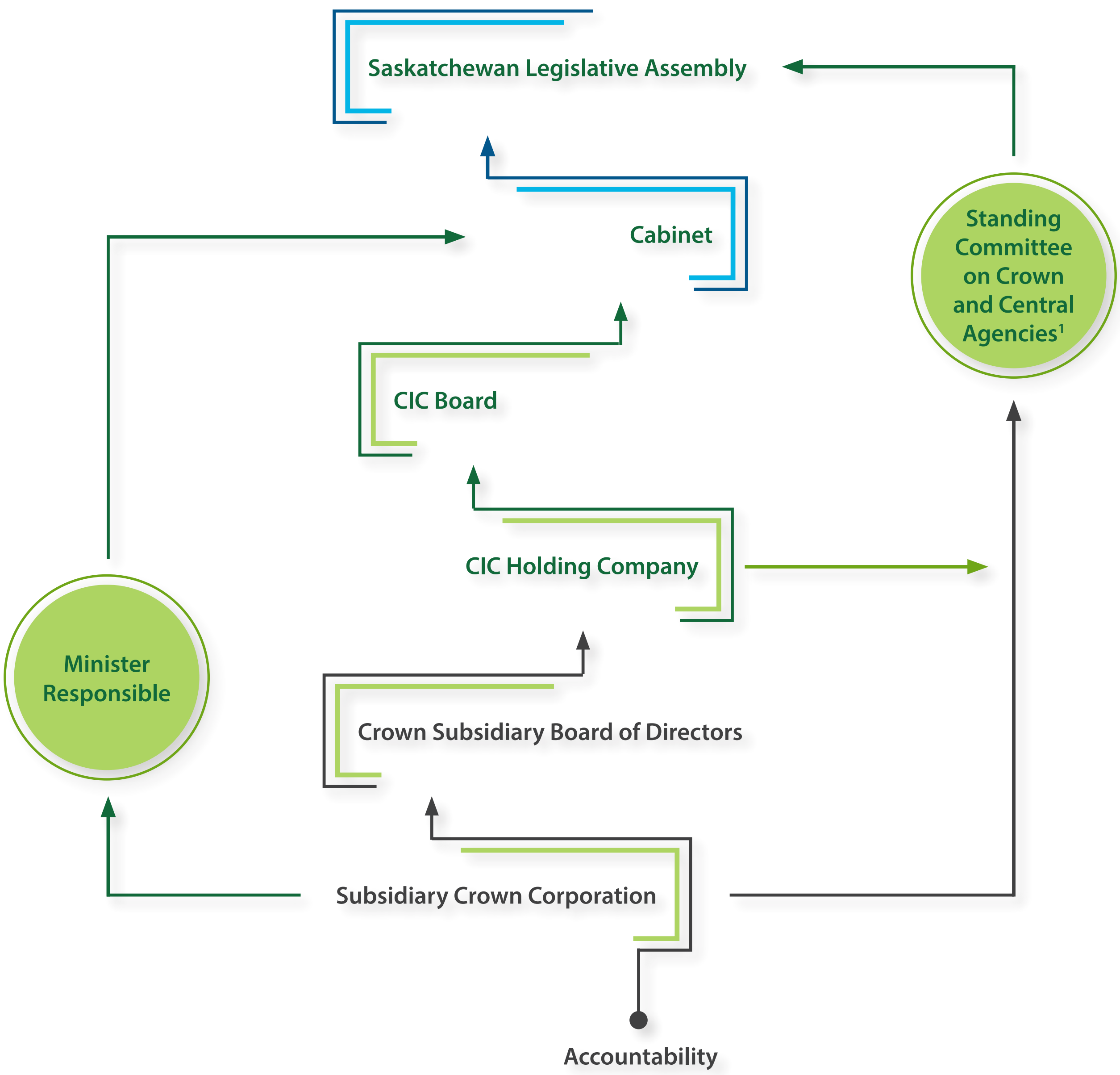
TEAMWORK

We work as a team, and collaborate with the government, our Board, Crown corporations and our partners. We all play a vital role in achieving our common objectives.

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 (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 CIC Crown sector plays an important role in achieving government's direction for the province. The government's vision and goals are the foundation for the Crown Sector Strategic Priorities that serve as the road map to achieve government's direction. These four goals are:

1. Sustaining growth and opportunities for Saskatchewan people.
2. Meeting the challenges of growth.
3. Securing a better quality of life for all Saskatchewan people.
4. Delivering responsive and responsible government.

Crown Sector Strategic Priorities

Consistent with government direction, the Crown Sector Strategic Priorities (CSSP) balanced economic response and recovery with ensuring Saskatchewan people and businesses continue to have access to affordable, high-quality services and needed infrastructure. In 2020-21, planning was disrupted by the global pandemic, which challenged strategic plans in all organizations. Managing corporate and community health and a measured economic recovery was critical in 2020-21 and will continue into future years. While the COVID-19 pandemic significantly impacted operations across the Crown sector, the Crown corporations continued to deliver high-quality services and support economic activity that aligns with provincial goals. The system through which CIC provides direction and monitors performance is discussed on page 10.

Included below are the focus areas in the CSSP:

Customer Focus

- Adapt business operations to support customers in effectively responding to and recovering from challenges created by recent severe events.
- Provide timely, safe and reliable, high-quality products and services to the people of Saskatchewan.
- Strive for continuous improvement in service delivery and identify ways to advance the quality services while keeping rates as low as possible.
- Meet growing customer expectations and implement solutions through collaborative efforts to make it easier to do business in Saskatchewan.

Skilled Labour Force

- To recover from recent challenges, Crowns must implement effective measures to build trust as well as ensure the health and safety of their employees and the public.
- Build a workforce that promotes a culture of creativity and forward thinking focused on continuous improvement by attracting, retaining, and developing skilled employees.
- Apply best practices in human resource strategies that minimizes costs and promotes teamwork to improve operational performance at all levels within the organization.
- Operating as one-team, recognizing and leveraging the expertise available throughout the public sector in order to achieve better outcomes for Saskatchewan.

Financial Sustainability

- Facilitate an economic response that balances Crown financial sustainability with support for its customers.
- Crowns are to implement capital projects to stimulate economic activity and support the provincial recovery from the pandemic.
- Maintain sustainable financial health, achieve strong operational outcomes and continue to manage strategies that are consistent with government direction in keeping Saskatchewan strong.
- Focus Crown operations and investments within Saskatchewan.

Priority Investments

- Establish investments that meet public policy objectives and stimulate a strong economic recovery for Saskatchewan.
- Focus on core business areas and target investment to enhance customer service and ensure financial sustainability, while stimulating economic growth and enhancing the quality of life for the people of Saskatchewan.
- Manage infrastructure spending by prioritizing capital plans to ensure safety and reliability as well as financial flexibility and sustainability.

Private Sector Engagement

- Stimulate Saskatchewan's economy through procurement by engaging local vendors and related supply chains helping the province thrive in its recovery.
- Promote best value procurement practices and endorse community development, supporting the return of a strong Saskatchewan.
- Form partnerships and joint ventures with the private sector by leveraging provincial expertise to promote economic growth and strengthen the quality of life for Saskatchewan people.
- Increase Indigenous participation in the economy by engaging relevant communities and businesses in Crown business activity.

Technology & Innovation

- Pursue strategies that allow Crown business systems to be robust and remain durable into the future, ensuring effective business continuity plans are developed and tested.
- Focus on Saskatchewan's environmental commitments by reducing emissions and climate change effects through innovative strategies that strengthen the resilience of the province.
- Utilize new technology and service delivery innovations to continually improve Crown sector service and reduce costs for the people and businesses of Saskatchewan.
- Focus on security enhancements (e.g., cyber, physical, and personnel) to protect the integrity of Crown operations.

Crown Collaboration

- Support major initiatives that benefit the province and will help the economy recover and build a solid, collaborative foundation.
- Engage and support the Crown sector and executive government to share expertise and skills that will strengthen the province and economy.
- Create and implement collaborative initiatives that enhance value, increase operational efficiencies and savings, provide better service to customers and utilize innovative approaches.

Commitment to Saskatchewan Strength

Throughout 2020-21, CIC has continued to challenge the Crown sector to operate as one-team, using collaboration as an opportunity to increase customer value, improve operational efficiencies and make it easier to do business in Saskatchewan. Through prudent fiscal management, prioritized investments and best value procurement practices, the Crown sector supported the province in economic recovery and growth during the ongoing COVID-19 pandemic. Through targeted infrastructure investments that ensure safe, sustainable, high-quality services and various customer support initiatives, such as the Crown Utility Interest Waiver Program, the Crown sector continued to focus on meeting the needs of Saskatchewan people and businesses. *Saskatchewan's Growth Plan: The Next Decade of Growth* will continue to serve as the roadmap for the Crown sector, keeping it focused on the long-term gains needed for a recovering economy. Going forward, the Crown sector remains committed to the government's vision for a successful and progressive Saskatchewan.

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 and 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 CSSP. The CIC Board is responsible for establishing the CSSP and CIC leads the annual development. 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 pages 8-9.

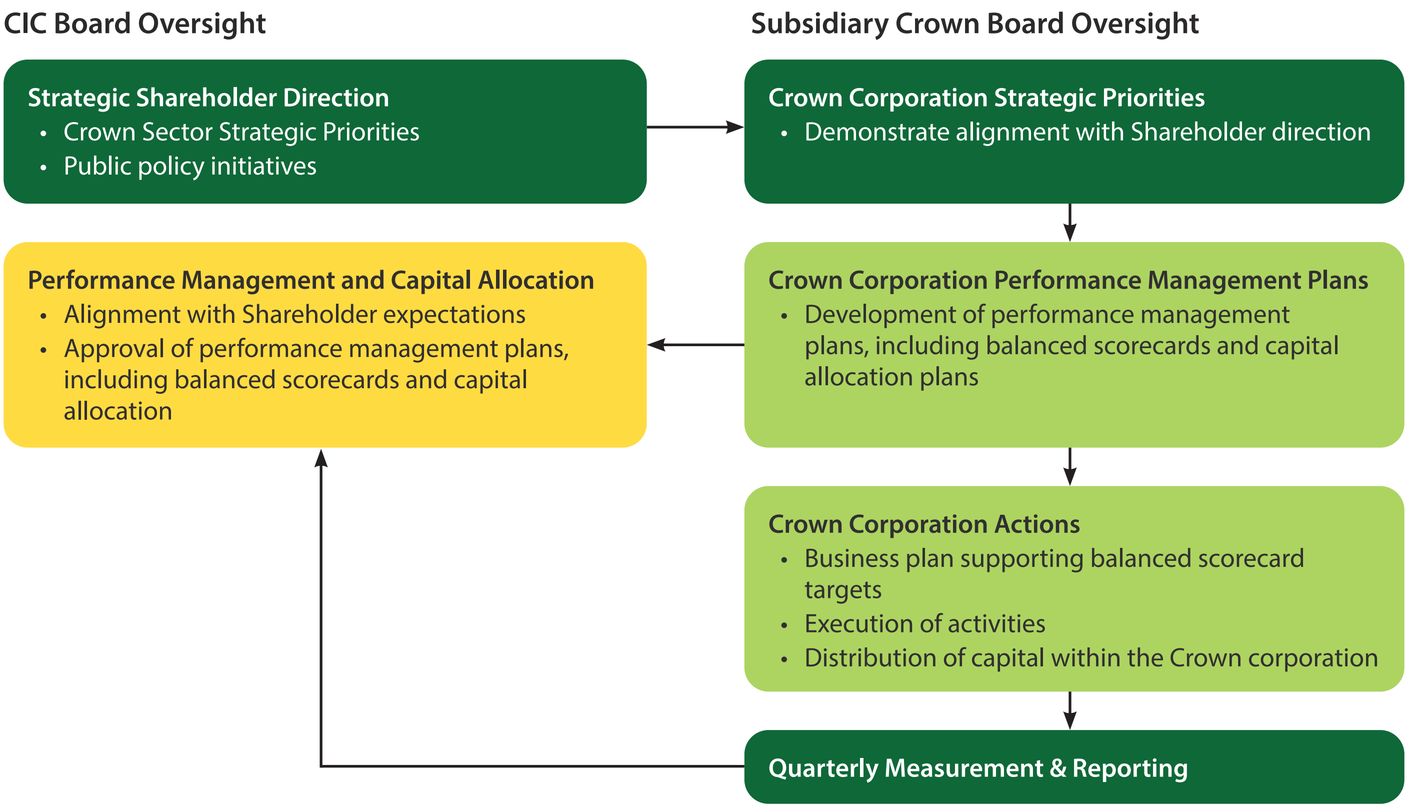
Subsidiary Crown Corporation Plans

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 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. In addition to approving the 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 corporation 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; and
- sponsors a professional development training program leading to a director designation and general governance training to enhance overall board skills.

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 have initiated several effective communication channels, including:

- regular meetings between the chairs of the Crown boards and senior CIC officials to discuss Shareholder priorities and share information regarding matters of mutual interest;
- annual 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;
- regular 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

CIC and its subsidiary Crown corporations complete the CEO/CFO certification of financial statements. Crown sector CEO/CFO certification is similar to the certification policies implemented by the Canadian Securities Administrators for publicly listed companies. CIC works to ensure 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 2020-21, all Crown boards administered board and board chair evaluations. Evaluations are conducted by online surveys and follow-up interviews are done with individual directors where necessary to clarify responses. Each Crown board is responsible for developing an action plan to address the results of the performance evaluations.

Governance Rating

The Conference Board of Canada (CBoC) maintained a database that allowed boards to benchmark their performance and governance practices against those of selected leading comparator boards in the public and private sectors in Canada (the "Index"). The Index rated organizations on a scale of 1 to 100, where an organization scoring 75 or above is considered to have a high level of governance performance. CIC Crown boards have consistently scored as high performing organizations over the 20 years that these assessments have been undertaken. CIC has used the Index to gain an external perspective on the governance practices of its subsidiary Crown boards. In 2020-21, the CBoC indicated it no longer has the capacity to perform this function and will not provide this service going forward. In 2021-22 CIC is pursuing the development and implementation of an alternative benchmarking method.

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. The ICD program was offered in Saskatchewan in 2019-20 and 12 Crown directors enrolled. CIC also sponsored one educational opportunity available to all directors on Indigenous Cultural Awareness. It is anticipated that the next Saskatchewan ICD program will be offered in 2021-22. CIC will sponsor governance sessions in 2020-21 to assist directors who have obtained a professional designation to help satisfy their continuing education requirements and to provide new directors with knowledge of good governance principles and practices.

Diversity and Subsidiary Crown Corporation Board Appointments

The government remains committed to enhancing diversity and achieving gender equity on CIC subsidiary Crown boards of directors. As at March 31, 2021, Crown boards are comprised of 50 per cent female representation, with five boards having 50 per cent or more women. There are three female chairs and four female vice chairs, including the first Indigenous female appointed to a vice chair position. Indigenous representation has doubled from 5 per cent to 10 per cent since 2016-17, and in 2016-17, the Shareholder appointed the first Indigenous person to serve as chair of a CIC subsidiary Crown board.

Enterprise Risk Management

CIC and its subsidiary Crown corporations follow the CIC subsidiary Enterprise Risk Management (ERM) Minimum Standards Policy that either meets or exceeds 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.

The ERM process focuses attention on the risks that are most important to the achievement of Crown sector objectives. It also identifies opportunities and innovations leading to redundancy eliminations, internal control and operational process efficiency improvements, and the effective use of limited human and financial resources.

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

Risk tolerance is determined independently by Crown management 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 and approved by the subsidiary Crown corporation board and the CIC 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 52 to 67 in the Consolidated MD&A section of this report.

CIC's Risk Assessment Strategy

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 risk management staff work 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 ERM.

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 are having to address the rising risk of cyber security breaches that can cause operational delays or loss of information. To mitigate this risk, CIC implemented a disaster recovery plan with offsite continuous back-up at a third party IT service provider that has industry leading security and firewall protection. Disaster recovery is tested annually to ensure information is accessible in the event of a disaster. Daily, weekly, monthly and annual back-ups are completed. CIC's third party IT service provider regularly updates anti-virus and anti-spam software.
2. **Inability of the Crown sector and CIC to achieve financial stability, sustainability and provide sufficient returns.**
   CIC provides dividends to the GRF. There is a risk that exists from policy and financial decisions made by CIC and/or its subsidiary corporations which 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 over investing activities, and oversight of subsidiary corporations by highly qualified, independent boards.
3. **Changes in the external environment (political, weather, economic) result in financial or human capacity issues, ineffective sector communications, and ineffective advice to the CIC Board.**
   The Crowns incorporate Shareholder priorities in each individual performance management and resource management plan. Changes in the external environment and government direction could result in insufficient financial and human capacity. This risk is mitigated by incorporating the CSSP into annual performance management and capital allocation plans, which are approved by the CIC Board. CIC officials meet regularly with government, Crown board chairs and Crown officials to ensure direction from government is well understood and implemented.

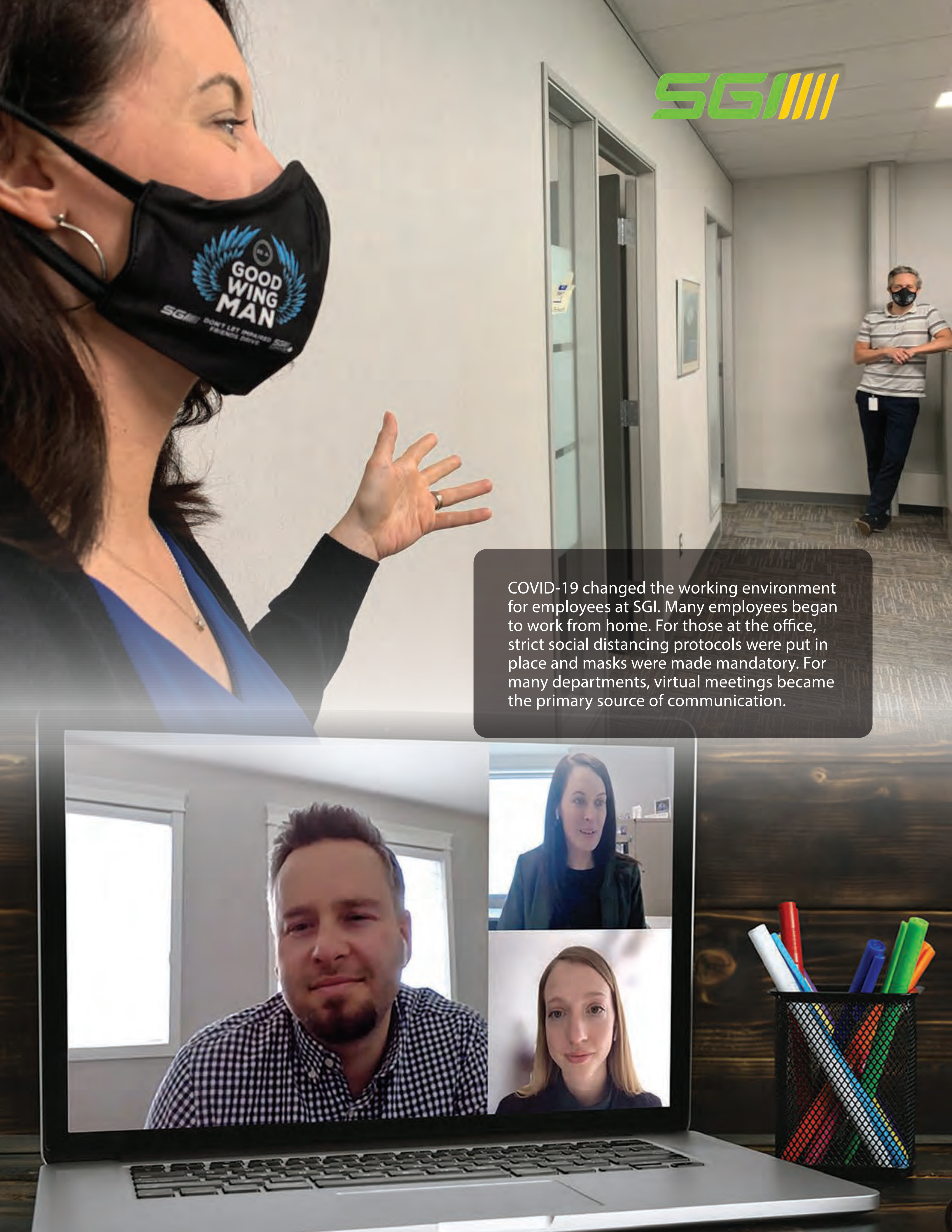
Promoting Best Practices in Crown Sector Disclosure

Reporting & Disclosure Review

Historically, CIC engaged the CBoC to conduct reviews of the reporting and disclosure practices of CIC and its subsidiary Crown corporations. These reviews:

- updated a best practices model to reflect the latest standards of reporting, accountability and governance of corporations in both the private and public sectors;
- evaluated the reporting and disclosure practices of Saskatchewan's Crown corporations through a review of their annual reports against the best practices model; and
- provided CIC with performance reports of each Crown corporation in comparison to the best practices model and relative to benchmarked comparable private companies and Crown corporations.

While Crown sector reporting and disclosure practices continue to uphold the best practices identified through these reviews and ongoing monitoring of trends and developments, the CBoC has indicated it no longer has the capacity to perform these reviews. CIC is investigating an alternate benchmarking method for implementation in 2022-23. The most recent CBoC review was conducted in the fall of 2018 on CIC's and the subsidiary Crown corporations' 2017-18 annual reports. This review resulted in the Crown sector receiving a rating of "A-".



COVID-19 changed the working environment for employees at SGI. Many employees began to work from home. For those at the office, strict social distancing protocols were put in place and masks were made mandatory. For many departments, virtual meetings became the primary source of communication.

Policy & Programming on Behalf of the Shareholder

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

- Saskatchewan Immigrant Investor Fund Inc. (SIIF), a corporation established to participate in the Government of Canada's Immigrant Investor Program (IIP). SIIF used IIP funds to deliver the HeadStart on a Home program that assisted municipalities, builders and developers in building affordable entry-level housing in Saskatchewan communities. On February 11, 2014, the Government of Canada announced that it would no longer accept funds into the IIP. On March 31, 2021, SIIF repaid all outstanding allocations to the Government of Canada[1];
- First Nations and Métis Fund Inc. (FNMF), a venture capital fund focused on Indigenous businesses. FNMF is in a wind-down phase[1];
- Indigenous Bursary Program provides financial assistance to Indigenous post-secondary students to support building a skilled and inclusive labour force;
- Indigenous Cultural Awareness Program provides training for Crown employees covering Indigenous history, reconciliation and relationship-building techniques; and
- CIC is the plan sponsor of the Capital Pension Plan, a registered pension plan that includes private and public members.

[1] On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated and the entity will continue to operate as CIC AMI.

Saskatchewan Rate Review Panel

The Saskatchewan Rate Review Panel (Panel) advises the Government of Saskatchewan on rate applications proposed by SaskEnergy, SaskPower and the Saskatchewan Auto Fund. The Panel reviews each rate application and provides an independent public report on its assessment about the fairness and reasonableness of the 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 the Panel and the government as required. In this role, CIC may provide the Panel with assistance, guidance and oversight to fulfill its mandate. The members of the Panel during 2020-21 included:

- Albert Johnston, Chair
- Delaine Barber, Vice Chair
- Glenn Dutchak, Member
- Bonnie Guillou, Member (term started December 31, 2020)
- Daryl Hasein, Member (term ended December 31, 2020)
- Kim Hartl, Member
- Duane Hayunga, Member
- Steve Kemp, Member (term ended December 31, 2020)
- Keith Moen, Member (term started December 31, 2020)

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

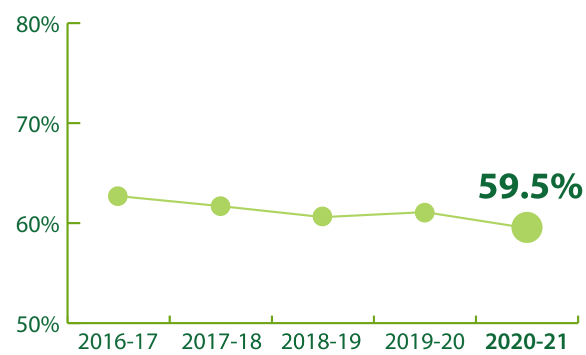
Achieving a Balanced Approach to Shareholder Return

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 lowest possible 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).

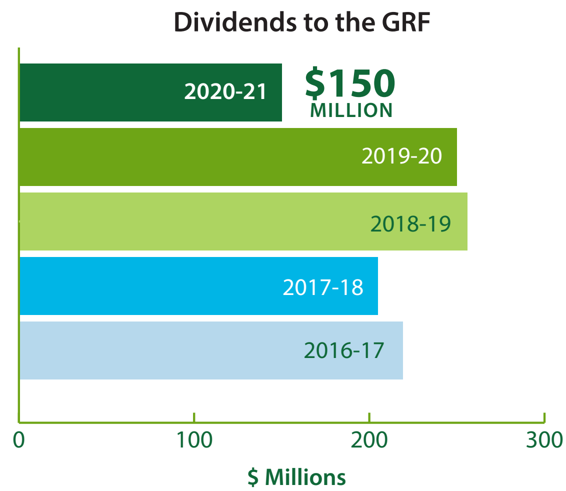
Consolidated Debt Ratio



All decisions that impact financial resources, such as dividends from the CIC Crown sector, dividends and equity repayment 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 re-investing in infrastructure, as well as providing a return to the Shareholder. During 2020-21, CIC's allocation of financial resources included the following:

- support of public policy initiatives;
- declaration and payment of dividends to the GRF of $150.0 million; and
- authorizing capital spending plans of subsidiary Crown corporations that resulted in capital expenditures of $1.2 billion to meet reinvestment requirements.

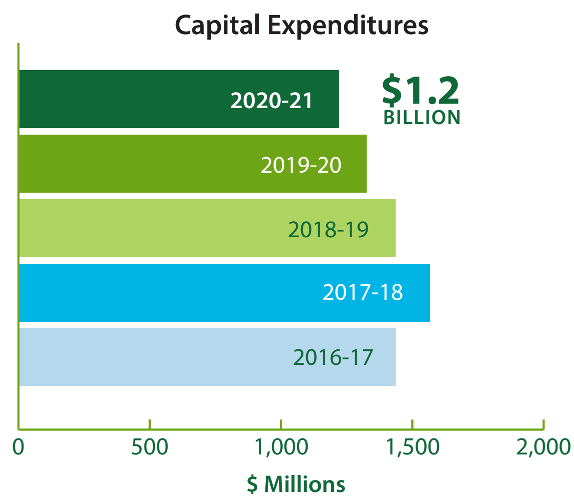


Managing Capital Resources

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 support public policy initiatives and economic development;
- **Debt reduction** – 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 that declared dividends to CIC in 2020-21. Capital structure targets are based on industry benchmarks where possible and are approved by the CIC Board.

	Capital Structure Measure	Capital Structure Target	2020-21 Actual Capital Structure	2020-21 Dividend Payout Rate[1]
SaskPower	Debt Ratio	60.0% - 75.0%	71.4%	30%
SaskTel	Debt Ratio	≤55.0%	50.4%	90%
SaskEnergy	Debt Ratio	58.0% - 63.0%	58.3%	35%
SGI CANADA[2]	Minimum Capital Test	242.0%	242.0%	N/A
SGC	Debt Ratio	TBD[3]	15.9%	-%[4]
SOCO	Debt Ratio	60.0%	21.8%	90%
SaskWater	Debt Ratio	60.0%	49.2%	75%

[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. In 2020-21, the SGI CANADA dividend was set to align with the minimum capital test (MCT) target.

[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] Previous to 2017-18, SGC's capital structure target was a Debt to EBITDA of 25 per cent. In line with other subsidiary Crown corporations, this will be changed to a debt ratio with the long-term target to be determined (TBD) and approved by the CIC Board in 2021-22.

[4] On the advice of Saskatchewan Health Authority and the Chief Medical Health Officer, SGC suspended operations from March 16, 2020 to July 9, 2020 and again on December 19, 2020 until June 20, 2021. As a result of the casino closures, SGC experienced a net loss in 2020-21 so no dividends were paid to CIC.

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. As well, CIC uses cash from Crown dividends to support public policy initiatives. In 2020-21, CIC allocated $151.9 million of capital as follows:

Reinvestment and Public Policy Expenditures:

- $80,000 to INROADS;
- $297,500 to the Indigenous Bursary Program; and
- $1.5 million to SIIF.

Debt Reduction:

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

Dividend:

- GRF dividend of $150.0 million.

$1.1 BILLION
Dividends paid to the GRF
over the past five years

CIC's ability to pay dividends to the GRF depends mainly on the level of Crown dividends paid to CIC, less CIC's grants for public policy programs and operating costs (see page 133 in the CIC Separate MD&A section of this report for more detail 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 at March 31, 2021)

Moody's Investor Service (Moody's)	Aaa (negative outlook)
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 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 Summary Financial Plan;
- detailed disclosure of CIC and its subsidiary Crowns' payments via Payee Disclosure Reports on CIC's website;
- within the annual reports, comparisons of subsidiary Crown corporation results to business plan targets;
- providing internal audit services to certain subsidiary Crown corporations;
- requiring CEO/CFO certification of internal controls over financial reporting; and,
- ensuring appropriate and consistent risk management frameworks for all CIC subsidiary Crown corporations.
- CIC continuously evaluates new standards and leading practices for financial reporting and corporate governance.

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

Corporate Social Responsibility

CIC has long been 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;
- support education, emerging health or social needs, or cultural education and reconciliation; and/or
- support programs aimed at bettering life opportunities for disadvantaged people, children and youth, Indigenous people, visible minorities or women in non-traditional roles.

$297,500
Invested into the Indigenous Bursary Program

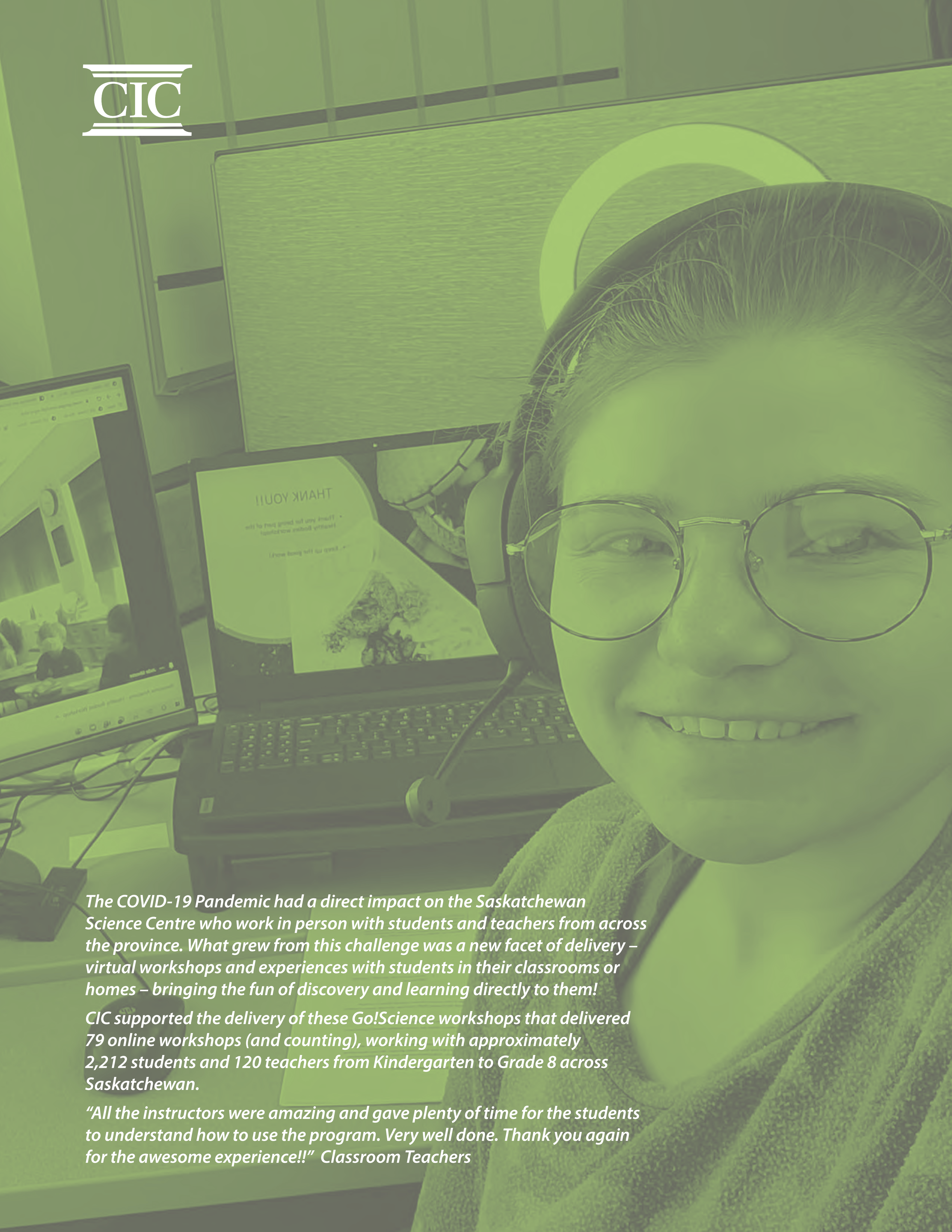
Although cost restraint and the pandemic impacted CIC's ability to provide sponsorships in 2020-21, the Corporation provided approximately $435,000 in direct sponsorship to support organizations across the province.

In addition to direct sponsorships, CIC continues to fund the Indigenous Bursary Program. CIC remains committed to its community and will continue to support opportunities that enable a high quality of life for Saskatchewan people. In 2017, CIC and the four large subsidiary Crowns renewed their commitment to STARS Saskatchewan for $10 million over five years ($2 million per year). This follows the original commitment made in 2012 for $10 million.

Crown Social Responsibility

Social responsibility is a core priority for the Crown sector. The Crown corporations deliver safe and reliable services, focus on investments that meet public policy objectives, and build and maintain infrastructure to ensure a high quality of life for Saskatchewan people today and into the future.

In CIC's role of oversight, it also monitors subsidiary Crown spending in the area of sponsorships and donations to ensure that financial and in-kind support is being distributed and used appropriately in a coordinated and equitable fashion.



The COVID-19 Pandemic had a direct impact on the Saskatchewan Science Centre who work in person with students and teachers from across the province. What grew from this challenge was a new facet of delivery – virtual workshops and experiences with students in their classrooms or homes – bringing the fun of discovery and learning directly to them!

CIC supported the delivery of these Go!Science workshops that delivered 79 online workshops (and counting), working with approximately 2,212 students and 120 teachers from Kindergarten to Grade 8 across Saskatchewan.

"All the instructors were amazing and gave plenty of time for the students to understand how to use the program. Very well done. Thank you again for the awesome experience!!" Classroom Teachers

CIC's Eco-Impact Team encouraged staff to do their part for the planet while working at home this year.

Environmental Sustainability

In 2020-21, CIC's Eco-Impact Team continued efforts to reduce the corporate environmental footprint and demonstrate corporate environmental leadership. This initiative, led by CIC staff volunteers, experienced challenges with workplace initiatives during recurring periods of working remotely throughout the year due to the COVID-19 pandemic. The Eco-Impact Team continued to encourage staff with digital posts on the corporate intranet to do their part for the planet while at home, including reducing the use of plastics and chemicals, reconsidering consumption of certain goods and services, re-using and re-purposing wherever possible, and recycling and composting to reduce landfill usage. Even the slightest of changes will have an impact in the long-term.

On a provincial scale, 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*. To reinforce this commitment, the CSSP directs the Crown sector to focus on Saskatchewan's environmental commitments by reducing emissions and climate change effects through innovative strategies that strengthen the resilience of the province. This will happen by delivering on Saskatchewan's climate change plan to reduce carbon emissions and advancing the development of zero-emission small modular nuclear reactor technology. Where subsidiary Crown corporation operations have a large impact on the environment, particularly through greenhouse gas emissions, CIC Board-approved targets for emissions reductions are included on respective Crown balanced scorecards.

Corporate Performance

2020-21 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 2020-21 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 pages 8 and 9) throughout the Crown sector. Performance results for 2020-21 are for the twelve-month period ended March 31, 2021.

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, and I, Cindy Ogilvie, Vice President and Chief Financial Officer of Crown Investments Corporation of Saskatchewan, certify that we have reviewed the balanced scorecard performance results included in the annual report of Crown Investments Corporation of Saskatchewan. Based on our 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, 2021.

Cindy Ogilvie

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie, CPA, CA, ICD.D
Vice President & CFO

Shareholder

Balanced Scorecard

Strategic Objective	Performance Measure		2019-20 Results	2020-21 Target	2020-21 Results	2021-22 Target
Provide expertise and guidance to support the Shareholder	S1	Performance assessment by CIC Board	● 3.6[1]	Complete survey refresh	● Substantially complete	Establish new benchmark
Effectively provide Shareholder direction to the Crown sector	S2	Performance assessment by CIC Board	● 3.2[1]	Complete survey refresh	● Substantially complete	Establish new benchmark
	S3	Performance assessment by Crown Boards	● 4.1[1]	Complete survey refresh	● Substantially complete	Establish new benchmark

[1] Based on a five-point rating scale.

Performance Indicator Key:

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

2020-21 Performance Discussion

In 2020-21, CIC conducted a refresh of its annual CIC Board and Crown Board surveys. The primary objective of the refresh was to enhance the quality of information received, thereby enhancing CIC's ability to put actions in place to address feedback. As of March 31, 2021, the survey refresh was substantially complete, and it has since been brought to conclusion. To accommodate the refresh, CIC deferred the 2020-21 surveys to 2021-22. Survey results in 2021-22 will establish the new benchmark for future targets.

The performance assessment by the CIC Board, which is conducted through a survey of all Board members, provides important feedback to CIC on the quality and effectiveness of CIC's services to the CIC Board. The performance assessment by Crown corporation boards is also conducted through an annual survey. CIC provides strategic Shareholder direction to the Crowns primarily through the CSSP, which are incorporated into strategic and operational plans. This is further enhanced by regular communication with Crown boards and management groups. The Crown board survey provides confirmation where CIC is performing well in this role and identifies opportunities where improvements can be made.

Leadership and Policy

Balanced Scorecard

Strategic Objective	Performance Measure		2019-20 Results	2020-21 Target	2020-21 Results	2021-22 Target
Implement key strategic public policy and programs aligning with Shareholder priorities	LP1	Crown sector efficiency initiatives – EBITDA/Revenue[1]	● 33.4%	31.0%	● 36.0%	28.5%
	LP2	Crown sector collaboration[2]	N/A	N/A	N/A	$50.0M
	LP3	Oversight of public policy programs and initiatives	● 106%	Achieve 100% of program deliverables	● 75%	100%
Provide an effective performance management process to the Crown sector	LP4	Performance assessment by Crown executives	● 3.4[3]	Complete survey refresh	○ Substantially complete	Establish new benchmark
Effectively provide policy and procedural advice and support to the Crown sector	LP5	Performance assessment by Crown executives	● 3.8[3]	Complete survey refresh	○ Substantially complete	Establish new benchmark
Advance best practice standards within the Crown sector	LP6	Governance rating: Benchmarking by the Conference Board of Canada (CBoC)	● Non-reporting year (NRY)	NRY	● NRY	TBD
	LP7	Reporting and disclosure rating of Crown sector Annual Reports – Benchmarking by the CBoC	● NRY	NRY	● NRY	TBD

[1] EBITDA/Revenue = earnings before interest, taxes, depreciation, and amortization/total revenue.
[2] New measure effective 2021-22.
[3] Based on a five-point rating scale.

Performance Indicator Key:

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

2020-21 Performance Discussion

CIC Crown corporations operate in a challenging environment that includes economic and competitive pressures, as well as the ongoing COVID-19 pandemic and its economic and business impacts. This operating environment has contributed to a heightened focus on efficiency and collaboration in the Crown sector. Efforts on managing costs continue to focus on controllable spending while ensuring resources remain available for continued investment in growth opportunities. Significant effort is also being put into identifying and acting on opportunities for Crown corporations to collaborate and work with executive government to enhance processes and services across government. These efforts contribute to the EBITDA/revenue target and result. Also improving the 2020-21 result was unexpectedly strong investment returns at SGI CANADA and an unbudgeted legal settlement at SaskPower related to the carbon capture and sequestration (CCS) plant at Boundary Dam. A detailed discussion of consolidated financial performance is provided in the Consolidated Management Discussion and Analysis (MD&A) beginning on page 41. As the province recovers from the COVID-19 pandemic in 2021-22, there remains some negative pressure on the EBITDA/revenue contributing to a decline in the target.

Furthering the commitment to Crown collaboration, a new measure has been introduced on each Crown's balanced scorecard for 2021-22. The Crown sector and participating Treasury Board Crowns, agencies and ministries are working together to reduce overall costs through collaboration and red tape reduction. The $50 million target is common across the Crown sector in recognition of the role all Crowns play in driving this collaboration priority. The year-end result will reflect the cumulative cost saving and red tape reduction across the sector and participating entities.

Leadership and Policy *(continued)*

Public policy programs and initiatives fell below target as only two INROADS placements of the targeted 20 took place due to the negative impact the pandemic had on hiring in the Crown sector. The Indigenous Bursary Program awarded the equivalent of 80 bursaries, exceeding the target of 70. All four scheduled Indigenous Cultural Awareness Program workshops, hosted by CIC for Crown sector employees, took place in 2020-21. The virtual workshop content and presenters received excellent feedback from participants.

As with the CIC Board and Crown Board surveys, the annual Crown executive survey was deferred in 2020-21 to accommodate the survey refresh. Through past annual surveys, Crown executives have evaluated CIC on effectiveness, quality and value in areas related to the performance management system, provision of Shareholder direction, and consultation and support in areas such as human resources, legal, communications, and finance. Results from the refreshed survey in 2021-22 will establish the new benchmark for future targets.

CIC uses benchmarking to gain expertise and an external perspective on its application of best practice standards in governance, reporting and accountability. Governance benchmarking provides CIC and its subsidiary Crown corporations with a better understanding of performance against recognized leading practices and of other private sector and Crown corporations in Canada. The reporting and disclosure benchmark rating indicates the strength of the sector's practices relative to industry peers and comparable entities in areas such as corporate operations, corporate social responsibility, performance indicators and management of people. While 2019-20 was a non-reporting year in the regular cycles for these ratings, 2020-21 is also a non-reporting year as the CBoC advised it would no longer have the capacity to provide CIC with this service. CIC is currently reviewing options to replace these benchmark ratings for implementation in the 2022-23 reporting year. Results of the most recent reviews, conducted by the CBoC in 2018-19, included a governance rating of 76 out of 100 or "high governance performance" and a reporting and disclosure rating of "A-" on Crown sector 2017-18 Annual Reports.

The COVID-19 pandemic resulted in the temporary closure of Casinos Regina and Moose Jaw for just over half of the fiscal year in 2020-21. During this time, SaskGaming initiated several renovations at Casino Regina, including the Central Hall area viewed above, as part of their commitment to enhancing guests' experiences at their facilities, while supporting the local sub-trades and construction industry throughout the COVID-19 pandemic.

Financial

Balanced Scorecard

Strategic Objective	Performance Measure		2019-20 Results	2020-21 Target	2020-21 Results	2021-22 Target
Ensure that the Crown sector is financially sustainable and provides an appropriate return to the people of Saskatchewan	F1	CIC dividend and equity repayments to the General Revenue Fund	● $350.0M	$124.0M	● $150.0M	$350.0M
	F2	Consolidated return on equity (ROE) target	● 7.6%	4.6%	● 9.7%	3.6%
	F3	Consolidated debt ratio	● 61.1%	62.3%	● 59.5%	61.8%

Performance Indicator Key:

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

2020-21 Performance Discussion

CIC measures and monitors the Crown sector's financial health to ensure sufficient financial capacity to provide the infrastructure and high-quality services that Saskatchewan people demand. These elements are present in the CSSP. A detailed discussion of consolidated financial performance is provided in the MD&A beginning on page 41, with a summary overview provided below.

Crown sector consolidated earnings were $585.4 million, which is $313.8 million higher than budget, resulting in an ROE of 9.7 per cent. The increase in ROE was primarily due to increased earnings at SaskPower, SaskTel, SaskEnergy and SGI CANADA, driven in part by earlier than expected recovery from the negative economic effects of COVID-19. This was partially offset by a net loss at SaskGaming as the casinos were either operating at reduced capacity or temporarily closed throughout the fiscal year on the advice of the Saskatchewan Health Authority and the Chief Medical Health Officer due to COVID-19. Budgets for both 2020-21 and 2021-22 were developed with uncertainty about the impacts of the pandemic, including changes in customer demand and repayment of deferred customer bills under the Crown Utility Interest Waiver Program. While 2020-21 consolidated results were strong, buoyed by investment returns, demand for services that supported working and schooling from home, and the CCS settlement at SaskPower, these events are not repeated in 2021-22 budgets, which contributes to the decline in financial targets.

CIC provided $150.0 million in dividends to the Shareholder in 2020-21, $26.0 million higher than budget. Increased dividends to CIC, primarily from SaskTel, SGI CANADA and SaskPower, provided the capacity to increase CIC's payment. Dividends from CIC directly contribute to government priorities such as health care, education and provincial infrastructure.

Despite the effects of the pandemic, the continued demand for Crown services, combined with rapidly changing technology and aging infrastructure, required borrowing to fund the Crown corporations' capital programs. The consolidated debt ratio finished the year better than target. This was primarily driven by a reduction in customer driven capital spending and stronger cash flows from higher earnings. Subsidiary Crown debt ratios are comparable to industry levels and are monitored to ensure sustainability.

Internal Operations

Balanced Scorecard

Strategic Objective	Performance Measure		2019-20 Results	2020-21 Target	2020-21 Results	2021-22 Target
Advance best practices in CIC's reporting and disclosure	IO1	Meet financial and performance reporting requirements	● Achieved	Quarterly and annual reports released on time	● Achieved	Quarterly and annual reports released on time
	IO2	Reporting and disclosure rating of CIC's Annual Report: Benchmarking by the CBoC	● NRY	NRY	● NRY	TBD
Prudent management of corporate resources	IO3	CIC operating expenditures	● 9.8% below budget	Within budget	● 11.2% below budget	Within budget
Promote employee effectiveness and corporate success	IO4	Employee engagement	● NRY	≥ TalentMap North American norm	● 105% of the TalentMap North American norm	NRY
	IO5	Employee enablement	● NRY	≥ TalentMap North American norm	● 115% of the TalentMap North American norm	NRY

Performance Indicator Key:

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

2020-21 Performance Discussion

As previously discussed, the CBoC advised CIC in 2020-21 that it no longer has the capacity to provide benchmarking on the strength of Crown sector reporting and disclosure practices relative to industry peers and comparable entities, this includes the assessment of CIC's Annual Report disclosure. As such, 2020-21 is a non-reporting year. CIC continues to work to achieve best practices in financial reporting and on the implementation of areas identified by the CBoC for improvement in the previous review. Over the past three years, these improvements have included enhanced discussion in CIC's Annual Report on environmental sustainability and actions undertaken within the year to ensure employee understanding of corporate policies. In the last CBoC review, conducted in 2018-19, CIC achieved a rating of "A" on its 2017-18 Annual Report. This high score demonstrates strong accountability and transparency. CIC is currently reviewing options to replace this benchmark rating for implementation in the 2022-23 reporting year.

CIC operating expenditures were 11.2 per cent below budget in 2020-21, consistent with government priorities on efficiency and cost management. Operating expenditures of $11.1 million for 2020-21 were $1.4 million below budget mainly due to the impacts the COVID-19 pandemic had on training and travel expenses, as lower cost and online opportunities were available, and projects being deferred as priorities shifted to the pandemic response.

The employee survey conducted in 2020-21 indicates that CIC has an engaged and enabled workforce. Both survey scores were on target with the TalentMap North American norm. As CIC has changed survey providers (formerly Hay Group), comparative results from prior surveys is not available. With a response rate of 93 per cent, the scores are highly reflective of CIC team members' views. Since receiving the survey results, CIC has determined the following four categories will be actioned on to further enhance engagement: professional growth, teamwork, organizational vision, and innovation. CIC senior management are using the survey results and any additional feedback to develop action plans specifically targeted towards these areas.

Rationale for Selection of Performance Measures

Strategic Objective	PM Code	Rationale for Selection of Performance Measures (PM)
Provide expertise and guidance to support the Shareholder	S1	Provides for direct assessment by the CIC Board on the relative performance of the holding company in providing expertise and guidance to support the Shareholder.
Effectively provide Shareholder direction to the Crown sector	S2	Provides for direct assessment by the CIC Board on the relative performance of the holding company in providing Shareholder direction to the Crown sector.
	S3	Provides for direct assessment by the Crown boards on the relative performance of the holding company in providing Shareholder direction to the Crown sector.
Implement key strategic public policy and programs aligning with Shareholder priorities	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 level of cost savings achieved within the Crowns and participating Treasury Board Crowns, agencies and ministries by working together to reduce overall costs via collaboration.
	LP3	Focuses on CIC's role in the leadership and oversight of public policy programs and initiatives, aligning with Shareholder priorities.
Provide an effective performance management process to the Crown sector	LP4	Provides for direct assessment by Crown sector executives on the relative performance of the holding company in providing an effective performance management system.
Effectively provide policy and procedural advice and support to the Crown sector	LP5	Provides for direct assessment by Crown sector executives on the relative performance of the holding company in providing effective policy and procedural advice and support to the Crown sector.
Advance best practice standards within the Crown sector	LP6	Benchmarking Crown sector governance to industry standards or best practices by an independent 3rd party.
	LP7	Benchmarking Crown sector reporting and disclosure to industry standards or best practices by an independent 3rd party.
Ensure that the Crown sector is financially sustainable and provides an appropriate return to the people of Saskatchewan	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.
Advance best practices in CIC's reporting and disclosure	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	Benchmarking CIC reporting and disclosure to industry standards or best practices by an independent 3rd party.
Prudent management and control of corporate resources	IO3	CIC is given the authority to make expenditures within the operating budget as approved annually by the CIC Board.
Promote employee effectiveness and corporate success	IO4	CIC employee engagement is benchmarked against other corporate entities and is monitored through surveys conducted by an independent 3rd party.
	IO5	CIC employee enablement is benchmarked against other corporate entities and is monitored through surveys conducted by an independent 3rd party.

Stakeholder Feedback Process

To maintain and improve the value it provides its stakeholders, CIC undertakes a stakeholder feedback process. Each stakeholder group is surveyed regarding the value of the functions performed by CIC. The key strategic stakeholder groups for CIC include:

- CIC Board of Directors (as the representative of the Shareholder to ensure mandates and activities are consistent with the interest and intent of government);
- subsidiary Crown boards of directors (as the stewardship body with fiduciary duty to the Crowns' operations); and
- subsidiary Crown executives (as the corporations' management bodies to conduct operations under the boards' stewardship and direction).

The subsidiary Crown board and Crown executive surveys are administered by an independent agency to ensure confidential disclosure and unbiased interpretation of results. In the case of the CIC Board, to which CIC has direct responsibility, CIC administers the survey. Each stakeholder group is surveyed on the following criteria:

Assessed Criteria	CIC Board of Directors	Crown Subsidiary Board of Directors	Crown Subsidiary Executives
Fulfilling its Mission	✓		
Direct Board Services & Support	✓		
Governance & Strategic Direction	✓[1]	✓	✓
Performance Management	✓[1]	✓	✓
Capital Allocation	✓[1]	✓	✓
Preparation of Board / Cabinet Materials	✓	✓	✓
Strategic Human Resources	✓[1]	✓	✓
Information Sharing		✓	✓
Corporate Secretariat Services		✓	
Financial & Reporting Policies			✓
Communications Coordination & Strategy	✓[1]		✓
Legal, Procedural & Legislative Advice	✓	✓	✓
Financial Management	✓		
Oversight of Government Initiatives	✓		
CIC's Operations & Administration	✓		

[1] Oversight on a Crown sector-wide basis.

In 2020-21, CIC conducted a refresh of its three stakeholder surveys. The primary objective of the refresh was to enhance the quality of information received, thereby enhancing CIC's ability to put actions in place to address feedback. As of March 31, 2021, the survey refresh was substantially complete and it has since been brought to conclusion. To accommodate the refresh, CIC deferred the 2020-21 surveys to 2021-22.

Organizational Overview

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 in its own right, 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 2020-21, the government's strategic vision focused on a commitment to economic response and recovery support; continued Crown collaboration and operating a "One-Team" approach; best value procurement and Indigenous engagement; and aligning initiatives to support economic growth for the province. The Board's key responsibility is to ensure that all direction provided to the Crown sector is aligned with the government's vision.

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 strategic oversight to CIC management by setting corporate strategic direction, identifying risks and opportunities, approving CIC's business plans and budgets, and monitoring and evaluating corporate performance.

SOCO is committed to helping grow Saskatchewan's technology sector. Despite pandemic challenges, Innovation Place welcomed 12 startup companies to the Saskatoon and Regina parks in 2020-21. In total, Innovation Place has supported the establishment of just under 200 companies since 1993.

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 (pg. 34) 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 acts as an audit and finance committee by approving CIC's financial statements and by meeting with external auditors and the Provincial Auditor without management present.

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 are seven members on the CIC Board as at March 31, 2021. The Board members are non-independent directors.

CIC Board Members

Honourable Don Morgan, Q.C., Chair

Minister of Crown Investments Corporation
Minister of Labour Relations and Workplace Safety
Minister Responsible for Saskatchewan Workers' Compensation Board
Minister Responsible for SaskEnergy, SGI, SaskPower, SaskTel, SGC, SOCO and SaskWater

Mr. Morgan was first elected in 2003 as the MLA for 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 Minister of Crown Investments Corporation and Minister Responsible for SaskEnergy, SGI, SaskPower, SaskTel, SGC, SOCO and SaskWater. He is also Minister of Labour Relations and Workplace Safety, and Minister Responsible for the Workers' Compensation Board. He also serves as Vice-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 Jim Reiter, Vice Chair

Minister of SaskBuilds and Procurement
Minister Responsible for the Public Service Commission
Minister Responsible for Saskatchewan Liquor and Gaming Authority
Minister Responsible for the Global Transportation Hub

Mr. Reiter was first elected as the MLA for Rosetown-Elrose in the 2007 provincial election and was re-elected in 2011, 2016 and 2020.

On November 9, 2020, Premier Scott Moe appointed Mr. Reiter as the Minister of SaskBuilds and Procurement, Minister Responsible for the Public Service Commission, Minister Responsible for Saskatchewan Liquor and Gaming Authority, and Minister Responsible for the Global Transportation Hub.

In addition to his current roles, Mr. Reiter has also served as Minister of Health, Minister of Highways and Infrastructure, Minister of First Nations, Métis and Northern Affairs, and Minister of Government Relations.

Professionally, Mr. Reiter has extensive experience in municipal governance. He was the long-time administrator for the Rural Municipalities of Marriott and Pleasant Valley. He has served as Director, Executive Director, Vice-President, and President of the Rural Municipal Administrators' Association (RMAA).

Mr. Reiter holds a Senior Certificate in Local Government Administration from the University of Regina (U of R). He also served six years on the U of R Senate and has served his community as a Justice of the Peace and marriage commissioner.


Honourable Don Morgan, Q.C.


Honourable Jim Reiter


Honourable Dustin Duncan


Honourable Lyle Stewart


Joe Hargrave


David Buckingham


Doug Steele

Honourable Dustin Duncan

Minister of Education

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 November 9, 2020, Premier Scott Moe appointed Mr. Duncan as the Minister of Education. Previously, he served as 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 Lyle Stewart

Provincial Secretary

Mr. Stewart was first elected as MLA for Thunder Creek in 1999, and was re-elected in the 2003, 2007, 2011. In 2016 and 2020 provincial elections, Mr. Stewart was elected in the constituency of Lumsden-Morse.

During his two terms in opposition, he served as the interim leader of the party, as well as the critic for Agriculture, Economic Development, and Industry and Resources. He has served as Minister of Agriculture, Minister Responsible for the Crop Insurance Corporation, Minister of Enterprise and Innovation, Chair of the legislature's Standing Committee on the Economy, member of the caucus' policy committee on the economy, and member of the Treasury Board. Mr. Stewart currently serves as Provincial Secretary and Legislative Secretary to the Premier.

Mr. Stewart is a farmer and rancher in southern Saskatchewan.

Joe Hargrave

Mr. Hargrave was first elected to the Saskatchewan Legislature in 2016 in the constituency of Prince Albert Carlton. 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 Crown Investments Corporation board. Mr. Hargrave was an owner/operator of Riverside Auto Group for 14 years. 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 Community Futures.

David Buckingham

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.

Doug Steele

Mr. Steele was elected MLA for Cypress Hills in the 2016 provincial election and was re-elected in 2020. He is the chair of the Private Bills committee and the Legislative Secretary to the Minister Responsible for SaskPower and SaskEnergy. Mr. Steele was Chair of the Crown Lands Appeal Board and, over the years, has served on the Nuclear Waste Management Organization, sat on the SaskDocs (Physician Recruitment) committee, Rural Economic Development committee, MREP (Municipal Roads for the Economy Program) committee, and many other Saskatchewan Association of Rural Municipalities appointed committees. He has also served as Legislative Secretary to the Minister of Energy and Resources, and as a member of the Standing Committee on Intergovernmental Affairs and Justice and the Standing Committee on the Economy.

Board Tenure

During 2020-21, a total of 15 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.

Board Member	Position	Term on the CIC Board
Honourable Don Morgan, Q.C.	Chair Member	November 9, 2020 to March 31, 2021[1] February 2, 2018 to November 9, 2020
Honourable Jim Reiter	Vice Chair	November 9, 2020 to March 31, 2021[1]
Honourable Dustin Duncan	Member Vice Chair	November 9, 2020 to March 31, 2021[1] August 23, 2016 to November 9, 2020
Honourable Lyle Stewart	Member	August 13, 2019 to March 31, 2021[1]
Joe Hargrave	Member Chair	November 9, 2020 to March 31, 2021[1] August 23, 2016 to November 9, 2020
David Buckingham	Member	November 9, 2020 to March 31, 2021[1]
Doug Steele	Member	November 9, 2020 to March 31, 2021[1]
Honourable Bronwyn Eyre	Member	February 2, 2018 to November 9, 2020
Honourable Gordon Wyant, Q.C.	Member	August 15, 2018 to November 9, 2020
Don McMorris	Member	August 30, 2017 to November 9, 2020

[1] To the end of the reporting period.

Organizational Structure

Operating Divisions

CIC's team included 46 positions as at March 31, 2021 within three divisions. Each division's responsibilities are summarized below:

President's Office • President • Crown Sector Initiatives • Communications • Human Resources	The President's Office is responsible for the overall direction of CIC and leadership of the Crown sector. It also includes the Communications and Human Resources units. Specifically, the division: • undertakes strategic initiatives related to the Crown sector; • provides support and leadership in Crown communications through delivering policy advice and information-sharing; • facilitates effective sector-wide communications as well as internal communications at CIC; and • supports a high functioning organization by delivering human resource support and leadership.
Finance & Administration • Accounting • Internal Audit • Performance Management & Financial Analysis	The Finance & Administration division provides financial reporting, analysis and recommendations to CIC and the CIC Board and advice and guidance to the Crown corporations on a wide range of business issues. Specifically, the division provides support through: • strategic Shareholder direction to the Crown sector; • internal corporate planning; • oversight of Crown corporation performance management and capital allocation plans; • 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; • oversight of Crown sector procurement practices; and • corporate administration services and information management.
Crown Services • Crown Governance • Crown Sector Human Resources • Legal • Strategic Policy & Stakeholder Engagement[1]	The Crown Services division provides advice and guidance to CIC, the CIC Board and the Crown corporations and their boards on a wide range of policy issues. Specifically, the division provides support through: • legal advisory services to CIC and the CIC Board; • oversight of Crown sector human resource policies and programs; • development and management of leading practices in corporate governance, including corporate secretarial and governance advisory services to the Crown corporation boards and professional director development opportunities; and • oversight of public policy initiatives, including the Saskatchewan Rate Review Panel; and • leadership, engagement and support of strategic policies, programs and Indigenous initiatives.

[1] Effective May 17, 2021, this unit was moved to the President's Office.

Management Organization

President's Division

- Kent Campbell, President & CEO
- Tim Highmoor, Vice President, Crown Sector Initiatives
- Joanne Johnson, Executive Director, Communications

Crown Services

- Brian Gyoerick, Vice President, Crown Services
- Alan Fern, General Counsel & Corporate Secretary
- Dale Bloom, Executive Director, Crown Governance
- JoAnn Buhr, Director, Strategic Policy & Stakeholder Engagement[1]

[1] Ms. Buhr retired effective May 14, 2021.

Finance & Administration Division

- Cindy Ogilvie, Vice President & Chief Financial Officer
- Travis Massier, Corporate Controller
- Kyla Hillmer, Executive Director, Performance Management & Financial Analysis
- Michael McClare, Executive Director, Performance Management & Financial Analysis
- Bina Bilkhu, Director, Internal Audit

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 25 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.

Brian Gyoerick

Vice President, Crown Services

Brian has a B.A. Advanced in Public Administration. He has 22 years of public and private sector human resource experience, joining CIC in 2011. Brian serves as member of the Conference Board of Canada's Compensation Research Centre. Brian's public sector experience includes various positions with CIC, Public Service Commission, Ministry of Finance and Farm Credit Canada.

Joanne Johnson

Executive Director, Communications

Joanne has a Master's of Administration Leadership, is a certified Public Sector Governor, and holds two university certificates in Business Administration. She has over 36 years of service with the Government of Saskatchewan in both executive government and the Crown sector. Joanne joined CIC in 2016 and is a member of the SIIF and FNMF boards on behalf of CIC.

Cindy Ogilvie

Vice President & CFO, Finance & Administration

Cindy is a Chartered Professional Accountant. She has over 27 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 and SIIF Boards on behalf of CIC. Cindy obtained her Chartered Directors designation (ICD.D) in 2021.

Tim Highmoor

Vice President, Crown Sector Initiatives

Tim has served in various leadership roles within the Government of Saskatchewan over the past 14 years. He has a Master's Degree in Agricultural Economics from the University of Saskatchewan. Tim joined CIC in December 2020.

Brian Gyoerick
Vice President,
Crown Services

Cindy Ogilvie
Vice President & CFO,
Finance & Administration

Kent Campbell
President & CEO

Tim Highmoor
Vice President,
Crown Sector Initiatives

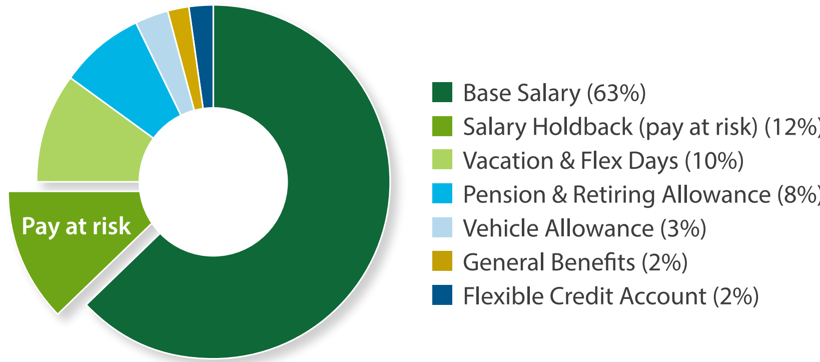
Joanne Johnson
Executive Director,
Communications

Executive Compensation

Independent & Objective

The Crown sector executive compensation framework (the "framework") was implemented in 2006 at the direction of the CIC Board. To maintain competitiveness with the external market, the CIC Board occasionally undertakes reviews of the framework. External consultants are engaged to conduct these reviews to assess the degree to which Crown executive compensation aligns with the framework's stated philosophy and the external market.

2020-21 Executive Compensation



Framework

CIC has designed and administers executive compensation consistent with the CIC Board and Cabinet's Crown sector executive compensation framework, and it is committed to a "total compensation" (e.g. base salary, pay at risk/salary holdback, benefits and pension) perspective. Crown sector compensation maintains a meaningful degree of competitiveness with the relevant external labour markets, targeting to achieve +/- 10 per cent of the 50th percentile of market comparators (i.e. the middle of the market).

Compensation

Each of CIC's senior executives receives a comprehensive group benefits package and a salary that consists of two main components: base salary and salary holdback. 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 CIC senior executive base salary ranges for 2020-21 were:

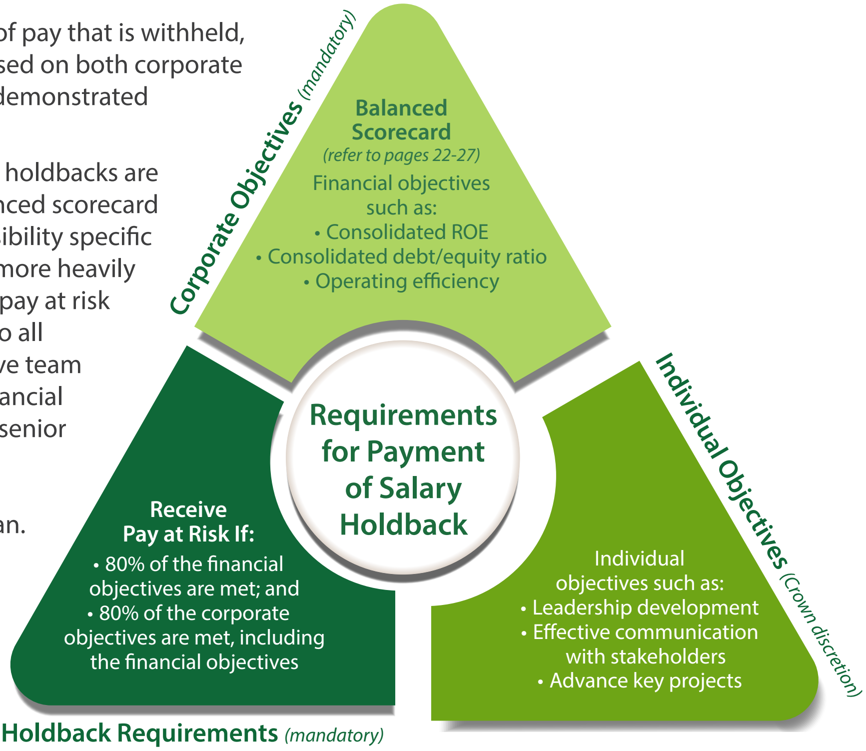
Position	Base Salary Range
CEO	$356,901 - $446,127
Senior Executive 1	$246,133 - $307,667
Senior Executive 2	$205,082 - $256,353

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.

Eligibility for Payment of Salary Holdback

Senior executive salary holdbacks are a portion of pay that is withheld, or placed at risk, subject to performance. It is based on both corporate and individual objectives and is determined by demonstrated results against those objectives.

CIC's corporate targets for the payment of salary holdbacks are directly linked to all, versus a subset of, CIC balanced scorecard targets. Key areas of balanced scorecard responsibility specific to each senior executive member are weighted more heavily than other areas for determining the amount of pay at risk that will be paid. Linking each senior executive to all balanced scorecard targets incents a collaborative team approach to achieving corporate targets. The financial component is separately measured to focus CIC senior executive on protecting CIC and Crown sector financial sustainability and on providing an appropriate return to the people of Saskatchewan.



The CIC Board receives quarterly progress reports regarding performance against balanced scorecard targets. The targets established for payment of salary holdbacks are directly linked to stretch goals that are objective, quantifiable and within the span of control and/or influence of management. For the corporate component, the measures and targets are established equivalent to the annual balanced scorecard measures and targets. For payment of salary holdbacks to occur, targets may be more challenging than the CIC Board approved balanced scorecard targets, but they cannot be less challenging than those balanced scorecard targets.

Following the end of the fiscal year, each senior executive summarizes his/her performance for the year against the pre-set objectives and targets. A discussion between the CEO and each vice president occurs regarding demonstrated results on both a corporate and individual basis. The CEO determines a final performance score for each vice president. Similarly, the CIC Board chair reviews and discusses the CEO's annual performance results. The CIC Board annually reviews and approves CIC's executive performance, including targets for the payment of salary holdbacks.

The weighting ranges for each component are:

Position	Corporate Weighting	Individual Weighting
CEO	90 - 80%	10 - 20%
Executive 1 and Executive 2	85 - 70%	15 - 30%

Commencing with the 2021-22 fiscal year, Cabinet has directed that salary holdbacks be permanently eliminated for CIC executives.

$2.5 MILLION
Donated by SaskTel in 2020-21

Sponsoring hockey at every level is just one of the many ways SaskTel gives back to the communities where we live and work. In 2020-21, SaskTel contributed over $2.5M to 308 non-profit and charitable organizations, community associations, venues, events and partnerships in 70 communities throughout the province.

SaskWater

The Pierceland Wastewater Lagoon Expansion was a major project for SaskWater in 2020-21. The $3.4 million upgrade, which was partially funded by the federal and provincial governments through the New Building Canada Fund, wrapped up in November 2020, on time and under budget.

In 2020-21 SaskWater installed 250 solar panels at the Cory Booster pump station, the third project of its kind for SaskWater. The panels have the potential to generate approximately 150,000 kWh of energy annually. In 2020, SaskWater's Greenhouse Gas Committee set a ten-year target to reduce the corporation's GHG emissions by 40 per cent compared to levels it produced in 2005.

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 is committed to ensuring the safety of its employees and their families during the COVID-19 pandemic. In March 2020, CIC implemented preventative measures aligned with direction released by the Government of Saskatchewan's State of Emergency declaration on March 18, 2020. CIC's Executive Committee approved *Remote Work (Temporary) Arrangement Guidelines: COVID-19 Pandemic* and communicated these guidelines to staff. On March 23, 2020, 100 per cent of CIC employees began working remotely from home. Staff started to transition back to the workplace in mid-June 2020. Prior to staff returning to the workplace, strict cleaning protocols and signage were implemented to ensure a safe working environment. At the end of November 2020, employees again began working remotely from home and will continue until vaccinations are rolled out and government direction indicates it is safe to return to the workplace.

Strong security procedures and processes were in place prior to the pandemic as part of CIC's ongoing efforts to stay ahead of cyber security developments. These security processes ensure CIC can continue critical operations in the event of an incident or disruption. Also prior to the pandemic, CIC began updating its corporate Business Continuity Plan and completed that work in 2020-21.

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;
- a formal succession plan, updated annually, 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.

Established in 2020, the Inspiring Leadership Academic Entrance Award recognizes students who, through their commitment to academic success, volunteer activities, and community leadership have demonstrated the potential to lead. CIC helped students achieve their academic potential by sponsoring the Inspiring Leadership Academic Entrance Award and by providing six tickets to international students to attend the Inspiring Leadership Conference, 10K Coffees mentoring program.

CIC Consolidated

SaskPower
Powering the future

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 2020-21 financial results should be read in conjunction with the audited consolidated financial statements. For purposes of CIC's consolidated MD&A, "CIC" and "Corporation" refer to the consolidated entity. The Corporation's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and, as such, consolidate the results of all the Corporation's 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 2020-21 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, performance, competition and regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

During the pandemic, the services offered by food banks across Saskatchewan were more in need than ever. CIC provided a donation to the **Regina and Saskatoon Food Banks**, and the **Food Banks of Saskatchewan** to give the citizens of our province a helping hand when they needed it most.

A Closer View of CIC's Holdings

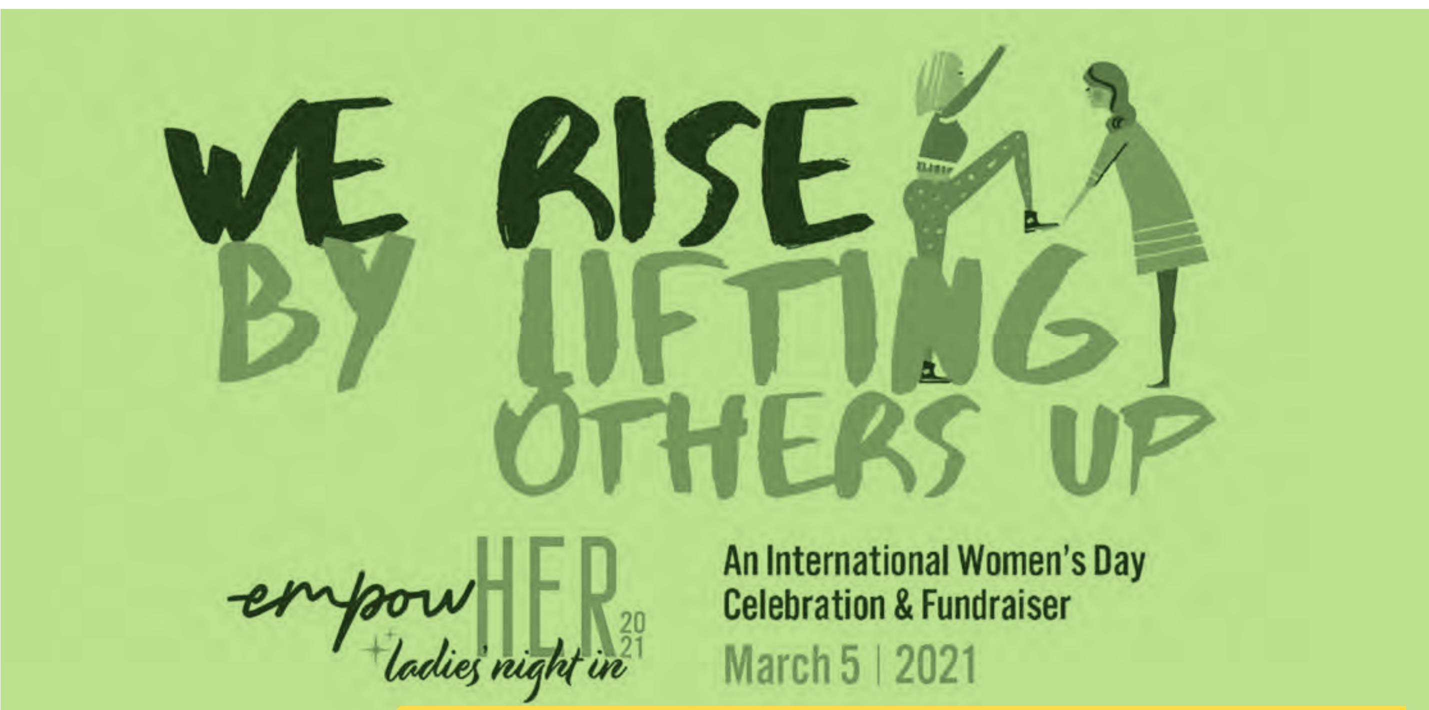
The Corporation is involved in a broad array of industries through various forms of investment. A number of investments are held as wholly-owned subsidiaries, while others are joint ventures and associates held through CIC's wholly-owned subsidiaries.

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:
Saskatchewan Gaming Corporation (SGC or SaskGaming)	Gaming
	Investment and Economic Growth:
CIC Asset Management Inc. (CIC AMI)[1]	Investments
Saskatchewan Opportunities Corporation (SOCO)	Research Parks
Saskatchewan Immigrant Investor Fund (SIIF)[1]	Construction loans

[1] On April 1, 2021, First Nations and Métis Fund Inc. (FNMF), SIIF, and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated and the entity will operate as CIC AMI.

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 and insurance business segments to the financial results of the Corporation. Of these corporations, SaskPower, SaskTel, SaskEnergy and SGI CANADA are the most significant in terms of assets, liabilities and operating earnings generated.



CIC sponsored the Dress for Success Regina – empowHER 2021 Virtual Gala helping to empower women to achieve economic independence by providing a network of support, professional attire and the development tools to help women thrive in work and in life.

SOCO's robust tenant programming continued throughout 2020-21, despite the lack of traditional events. A successful pivot to virtual formats allowed Innovation Place to offer 66 events to 4,600 participants, providing tenants and the tech community with opportunities to learn and connect online.

SOCO

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, SGC, SaskWater, and SOCO);
- financial results for CIC's wholly-owned subsidiaries (SIIF[1], CIC AMI[1], FNMF[1], and CIC Economic Holdco Ltd.[2]);
- 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).

[1] On April 1, 2021, FNMF, SIIF, and CIC AMI amalgamated. All assets, liabilities, and obligations were amalgamated and the entity will operate as CIC AMI.

[2] CIC Economic Holdco Ltd. was dissolved on January 22, 2021 after its investments were divested.

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;
- grants by CIC to subsidiaries; and
- CIC's operating results and public policy expenditures.

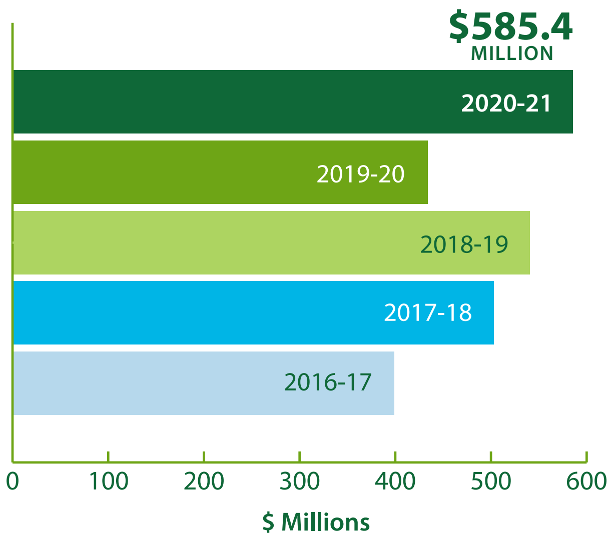
Construction of the **Golden South Wind Energy Facility** near Assiniboia, SK (Golden South II and Golden South III).

CIC's 2020-21 Consolidated Financial Highlights

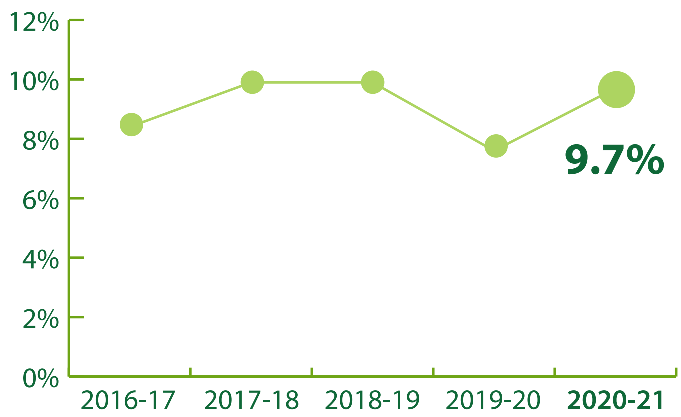
CIC Consolidated (millions of dollars)	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Net earnings	**$ 585.4**	$ 435.4	$ 540.6	$ 503.0	$ 398.6
Assets	**20,962.9**	20,625.5	19,793.6	18,965.4	18,065.3
Debt[1]	**10,254.7**	10,342.2	9,795.3	9,416.8	9,037.5
Dividend to the GRF	**150.0**	250.0	256.0	205.0	219.0
Debt ratio	**59.5%**	61.1%	60.6%	61.7%	62.7%
Return on equity	**9.7%**	7.6%	9.9%	9.9%	8.4%

[1] Consolidated debt includes long-term debt, long-term debt due within one year, and notes payable.

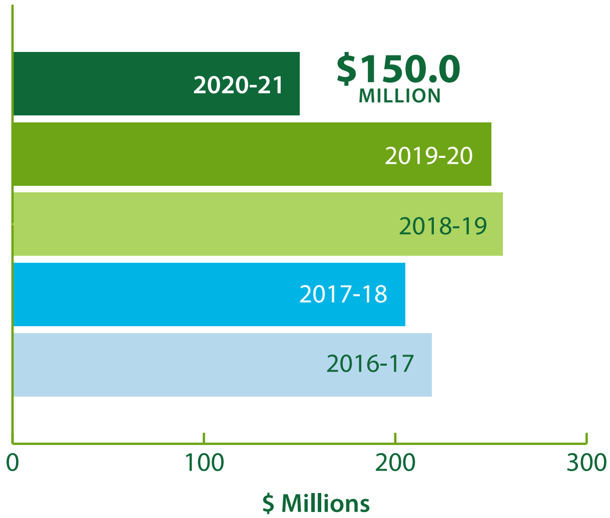
Consolidated Net Earnings



Consolidated Return on Equity



Dividends to the GRF



CIC is committed to building a strong province through the Crown sector, ensuring financial results support a balanced budget and a return to the people of Saskatchewan.

CIC CONSOLIDATED

Significant Events Impacting 2020-21 Consolidated Results

During 2020-21, the following significant events impacted the Corporation's consolidated results:

1. **Capital Expenditures**

   During 2020-21, the Corporation spent $1,220.9 million (2019-20 - $1,325.4 million) on capital expenditures related to investing in aging infrastructure and meeting the demand for growth. Capital expenditures were funded through cash from operations and debt.

2. **COVID-19**

   The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. The Corporation has assessed and continues to monitor the impact of COVID-19 on its operations. Potential impacts include loss of revenue, disruption of supply chain, impairments of assets and challenges associated with a remote or unavailable workforce. Estimates of these impacts have been included where appropriate. Given the uncertainty of the magnitude and duration of the pandemic, it is not possible to determine if there are significant additional impacts on current operations or reported asset and liability values.

   An identifiable factor that impacted the current year was Crown corporations incurring higher than normal expenses based on estimated receivables that will be uncollectible from the Crown Utility Interest Waiver Program.

   Another factor is the temporary closures of Casinos Regina and Moose Jaw from March 16, 2020 to July 9, 2020 and December 19, 2020 to June 20, 2021. When the casinos were permitted to operate during the year, they were subject to capacity restrictions. The closures and capacity restrictions resulted in a net loss and temporary staff layoffs.

Accounting Policy Developments Impacting Future Consolidated Results

As disclosed in Note 4(s) in the consolidated financial statements, a number of new accounting standards and amendments to standards and interpretations are not yet effective for the period ended March 31, 2021 and have not been applied in preparing the consolidated financial statements. Note 4(s) includes management's assessment of the potential impacts on the consolidated financial statements known at this time.

Consolidated Net Earnings

Consolidated Net Earnings (millions of dollars)	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
SGI CANADA	**$ 172.1**	$ 49.9	$ 48.0	$ 59.4	$ 65.2
SaskPower	**160.2**	205.8	197.0	145.5	56.3
SaskTel	**130.8**	119.8	127.4	121.0	134.8
SaskEnergy	**80.8**	43.5	165.7	143.5	145.6
CIC AMI	**17.1**	2.2	(6.0)	(2.6)	(3.0)
SaskWater	**8.3**	8.4	7.5	8.1	6.5
SIIF	**2.4**	7.1	(2.2)	(1.1)	(1.4)
SOCO	**0.6**	3.0	3.5	5.6	0.5
STC	**-**	-	-	26.6	(5.3)
SGC	**(13.4)**	20.1	22.5	23.2	24.4
CIC (Separate)	**272.4**	212.5	235.3	213.1	132.1
Other[1]	**(245.9)**	(236.9)	(258.1)	(239.3)	(157.1)
Consolidated net earnings	**$ 585.4**	$ 435.4	$ 540.6	$ 503.0	$ 398.6

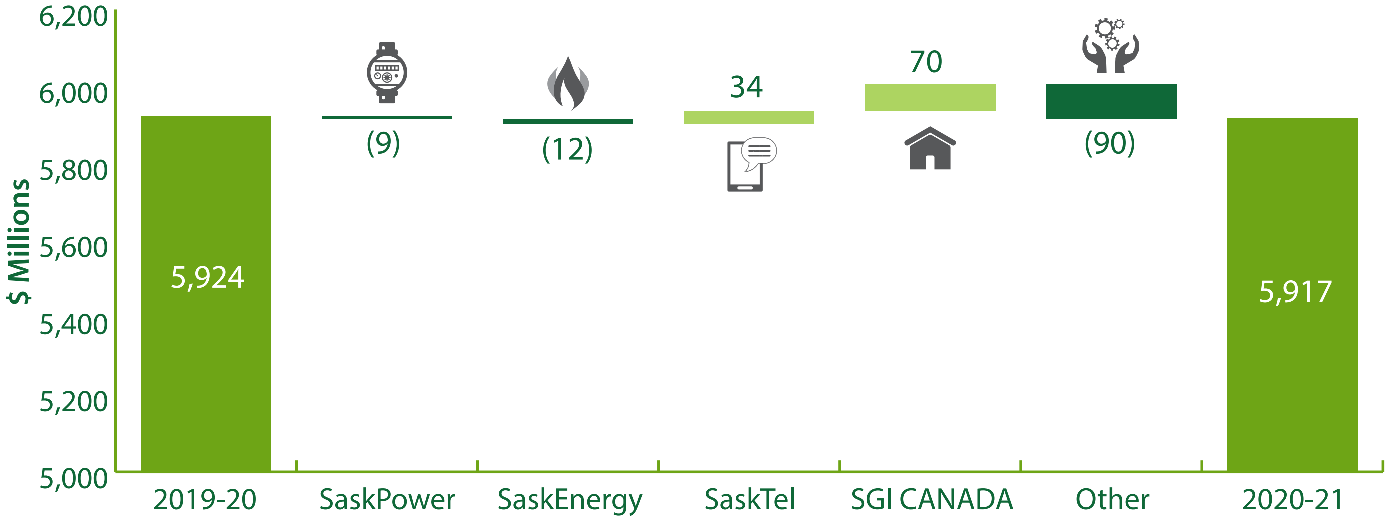
[1] Includes FNMF, CIC Economic Holdco Ltd., and consolidation adjustments. Consolidation adjustments reflect the elimination of all inter-entity transactions, such as grants from CIC to Crown corporations, revenues and expenses between Crown corporations, and dividends paid by Crown corporations to CIC.

Analysis of Consolidated Revenues and Expenses

Revenue

Revenue was $5,916.8 million for 2020-21 (2019-20 - $5,924.0 million), a decrease of $7.2 million. This was primarily a result of decreased revenues at SGC (reflected in "Other" below), partially offset by increased revenues at SaskTel and SGI CANADA.

Changes in Revenue



SGC's revenue decreased by $83.2 million due to Casinos Regina and Moose Jaw suspending operations on March 16, 2020 as a result of the COVID-19 pandemic. The casinos reopened with limited capacity from July 9, 2020 to December 19, 2020. The casinos remained closed for the remainder of the fiscal year.

SGI CANADA's revenue increased by $69.8 million primarily due to increased premiums in Saskatchewan and British Columbia. Saskatchewan experienced growth in all lines of business primarily from regular increases in policy rates. British Columbia premiums written increased due to new broker partnerships that resulted in increased customers.

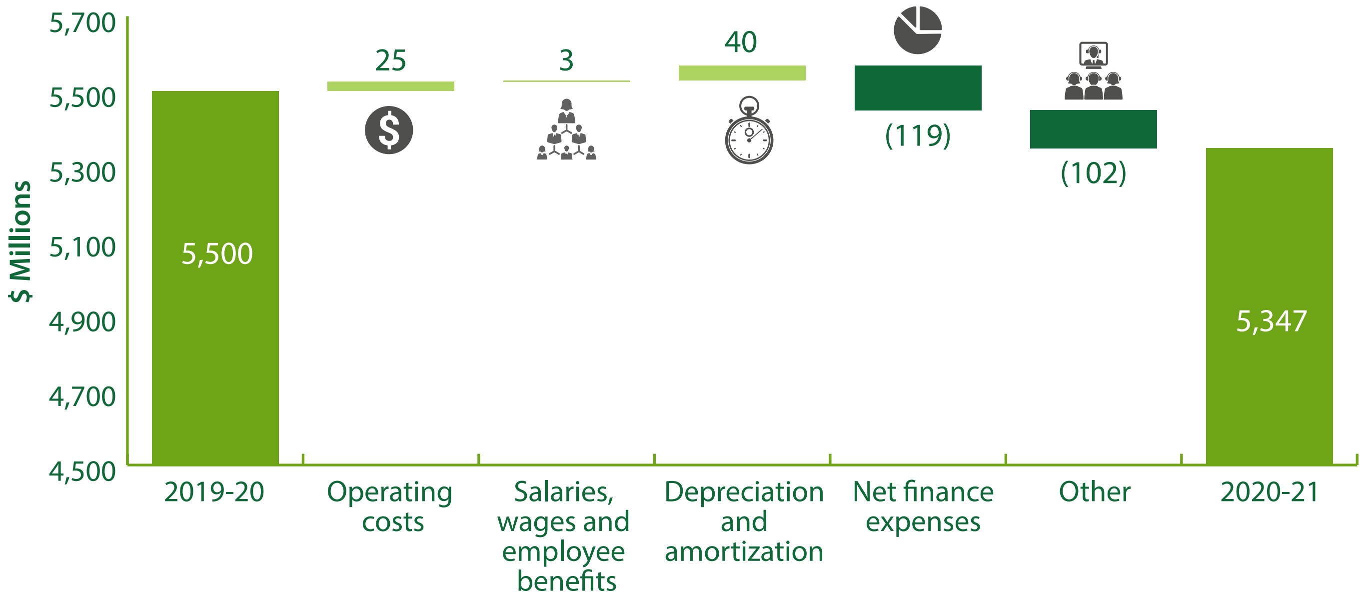
SaskTel's revenue increased by $34.0 million primarily due to growth in wireless network subscribers and increased customer premise equipment sales because of remote work requirements. Increases in revenue were partially offset by the continued trend of customers removing landlines from their homes.

Operating and Net Finance Expenses

Total operating and net finance expenses for 2020-21 were $5,347.0 million (2019-20 - $5,500.0 million), a decrease of $153.0 million from the same period in 2019-20. This was primarily due to decreased net finance expenses and increased impairment and environmental provision recoveries (reflected in "Other" below). This was partially offset by increased depreciation and amortization.

Analysis of Consolidated Revenues and Expenses *(continued)*

Changes in Total Operating and Net Finance Expenses



Net Finance Expense

Net finance expense decreased by $119.2 million to $381.8 million for 2020-21 (2019-20 - $501.0 million) primarily due to increased investment earnings at SGI CANADA because of strong equity returns following the negative returns experienced in 2019-20 due to the pandemic.

Other Expenses

Other expenses decreased by $102.0 million to $145.3 million for 2020-21 (2019-20 - $247.3 million) primarily due to an impairment recovery on CIC's investment in Information Services Corporation (ISC) due to ISC's acquisition and growth strategy improving its share price. CIC AMI also experienced a recovery on its environmental remediation provision from changes in assumptions that align with current industry practice and regulations. In addition, no gaming fees were paid to the GRF in 2020-21 because of the casino closures during the year.

During 2020-21, CIC sponsored **CentsABLE**, a financial literacy program developed by Enactus students at the University of Saskatchewan. The CentsABLE program created workshops targeted to newcomers to Canada to help them navigate the Canadian benefits rolled out due to the pandemic. Over 30 attendees signed up for each workshop and learned how to "contact the bank about setting up a TFSA" or "apply for a Canadian benefit." Participant satisfaction was 100 per cent.

"CentsABLE was created with the goal of empowering the community through financial literacy education. COVID-19 has changed how our workshops were run. However, the quality and creativity of CentsABLE has grown and improved!" - Muhammad, CentsABLE Presenter

Analysis of Consolidated Revenues and Expenses *(continued)*

Depreciation and Amortization

Depreciation and amortization increased by $39.5 million to $967.1 million for 2020-21 (2019-20 - $927.6 million) primarily due to additional investments in property, plant and equipment at SaskPower, SaskTel and SaskEnergy as well as adjustments to the estimated useful lives of certain asset components at SaskPower.

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 determined according to industry standards, 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 2020-21 was 62.3 per cent.

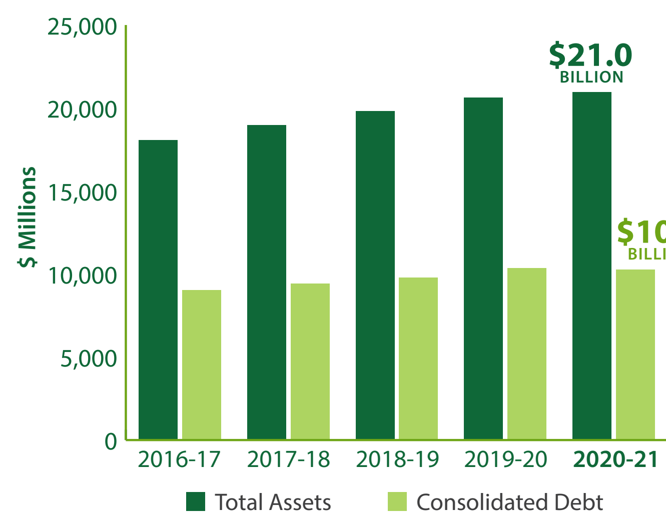
For further information on the Corporation's approach to capital management, refer to Note 23 of the audited consolidated financial statements.

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

	2020-21	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Consolidated debt	**$10,254.7M**	$10,342.2M	$9,795.3M	$9,416.8M	$9,037.5M
Consolidated debt ratio	**59.5%**	61.1%	60.6%	61.7%	62.7%
Consolidated debt ratio target	**62.3%**	61.8%	62.1%	62.8%	62.7%

Debt on a consolidated basis was $10,254.7 million at March 31, 2021 (2019-20 - $10,342.2 million), a year over year decrease of $87.5 million. The decrease is primarily attributed to lower debt at SaskPower ($214.5 million). As the cash flow uncertainties related to COVID-19 were reduced during the year, SaskPower used available cash to repay debt. This was partially offset by higher debt at SaskEnergy ($111.4 million) and SaskTel ($18.1 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.

Over the last five periods, consolidated debt has increased $1,217.2 million in support of increased assets of $2,897.6 million.



Capital Spending

Capital spending (property, plant and equipment, investment property and intangible asset purchases) decreased $104.5 million to $1,220.9 million for 2020-21 (2019-20 - $1,325.4 million) primarily due to COVID-19 delaying capital projects. Major capital expenditures included:

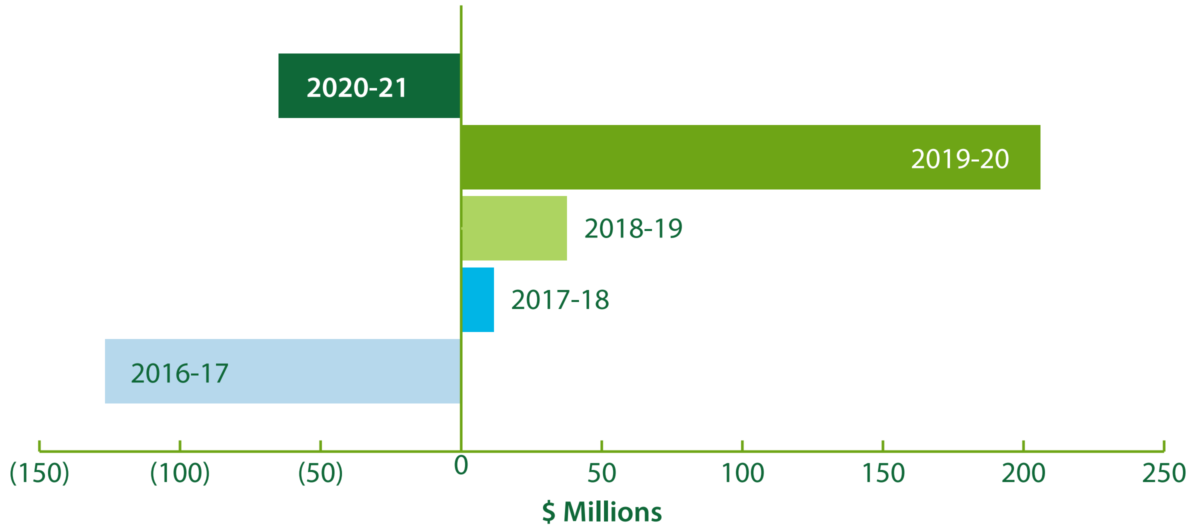
- $651.1 million at SaskPower related to sustaining infrastructure, new generation assets including the Great Plains Power Station in Moose Jaw, increasing grid capacity and connecting customers to the electric system;
- $303.3 million at SaskTel for Fibre to the Premises and wireless network enhancements and growth; and
- $231.5 million at SaskEnergy related to customer connections, system expansions to meet customer growth, and spending to ensure the safety and integrity of its extensive distribution and transmissions systems.

CIC CONSOLIDATED

Operating, Investing and Financing Activities

Cash and cash equivalents for 2020-21 decreased $65.0 million (2019-20 - $206.1 million increase) primarily due to increased cash used in financing activities and decreased cash from operations. This was partially offset by less cash used in investing activities. A more 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)		**2020-21**		**2019-20**
Net cash from operations	**$**	**1,395.7**	$	1,544.4
Net cash used in investing activities		**(1,286.3)**		(1,316.2)
Net cash used in financing activities		**(174.4)**		(22.1)
Change in cash and cash equivalents	**$**	**(65.0)**	$	206.1

Operating Activities

Cash from operations decreased by $148.7 million to $1,395.7 million in 2020-21 (2019-20 - $1,544.4 million). The decrease is due to unfavourable changes in non-cash working capital balances.

Investing Activities

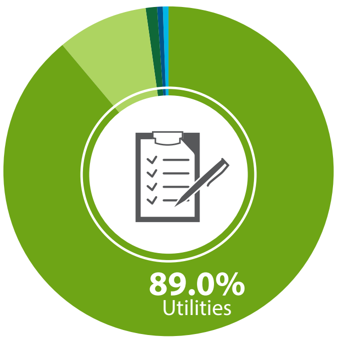
Cash used in investing activities decreased $29.9 million to $1,286.3 million in 2020-21 (2019-20 - $1,316.2 million) primarily due to COVID-19 delaying capital projects.

Financing Activities

Net cash used in financing activities increased $152.3 million to $174.4 million in 2020-21 (2019-20 - $22.1 million). The change was primarily due to lower notes payable balances at SaskPower. When cash flow uncertainty from COVID-19 was reduced in the latter part of 2020-21, SaskPower utilized available cash to repay notes. Partially offsetting this were decreased equity and dividend payments to the GRF and increased sinking fund redemptions.

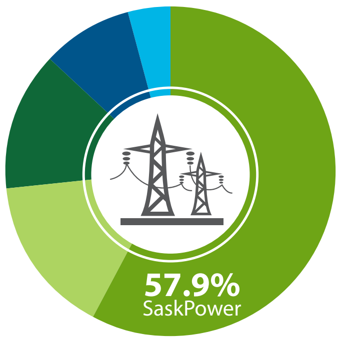
Segmented Information

Total Assets by Business Segment



- Utilities (89.0%)
- Insurance (8.8%)
- Investment and Economic Growth (1.3%)
- Other (0.6%)
- Entertainment (0.3%)

Total Assets by Corporation



- SaskPower (57.9%)
- SaskEnergy (15.7%)
- SaskTel (13.6%)
- SGI (8.8%)
- Other (4.0%)

(millions of dollars)	Utilities		Entertainment		Insurance		Investment & Economic Growth		Other[1]		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Statement of Income												
Total revenue	4,968	4,949	31	114	1,033	963	37	41	(144)	(137)	5,925	5,930
Operating expenses	(4,079)	(4,048)	(44)	(93)	(989)	(936)	(17)	(28)	164	106	(4,965)	(4,999)
Net finance (expenses) income	(509)	(523)	(1)	(1)	128	22	-	-	-	1	(382)	(501)
Earnings (loss) from operations	380	378	(14)	20	172	49	20	13	20	(30)	578	430
Share of net (loss) earnings from equity accounted investees	-	(1)	-	-	-	-	-	-	7	6	7	5
Net earnings (loss)	380	377	(14)	20	172	49	20	13	27	(24)	585	435
Statement of Financial Position												
Current assets	1,403	1,593	6	21	788	664	82	76	67	(12)	2,346	2,342
Investments & other	1,833	1,834	4	5	1,037	984	12	18	113	73	2,999	2,914
Capital assets[2]	15,424	15,177	60	58	20	17	167	170	(53)	(52)	15,618	15,370
	18,660	18,604	70	84	1,845	1,665	261	264	127	9	20,963	20,626
Current liabilities	2,237	3,003	16	19	950	867	35	38	(125)	(81)	3,113	3,846
Long-term debt	9,160	8,413	-	-	-	-	37	38	-	-	9,197	8,451
Lease liabilities	993	1,027	4	5	10	10	1	1	3	-	1,011	1,043
Other	995	1,056	-	-	380	368	43	60	(7)	(13)	1,411	1,471
	13,385	13,499	20	24	1,340	1,245	116	137	(129)	(94)	14,732	14,811
Province's equity	5,275	5,105	50	60	505	420	145	127	256	103	6,231	5,815
	18,660	18,604	70	84	1,845	1,665	261	264	127	9	20,963	20,626
Statement of Cash Flows												
Operating activities	1,263	1,405	(11)	26	139	107	12	21	(7)	(15)	1,396	1,544
Investing activities												
Capital asset purchases[3]	(1,203)	(1,306)	(8)	(11)	(4)	(4)	(6)	(4)	-	-	(1,221)	(1,325)
Other	(9)	32	-	-	(107)	(45)	50	18	-	4	(66)	9
	(1,212)	(1,274)	(8)	(11)	(111)	(49)	44	14	-	4	(1,287)	(1,316)
Financing activities												
Debt proceeds	996	714	-	-	-	-	-	-	-	-	996	714
Debt repayments	(439)	(131)	-	-	-	-	(3)	(22)	-	-	(442)	(153)
Dividends paid	(167)	(212)	-	(18)	(63)	(41)	(1)	(3)	81	24	(150)	(250)
Equity (repaid) received	-	(33)	4	-	-	-	(1)	(1)	(3)	(66)	-	(100)
Other	(574)	(236)	-	5	(2)	(1)	(2)	(1)	-	-	(578)	(233)
	(184)	102	4	(13)	(65)	(42)	(7)	(27)	78	(42)	(174)	(22)
Change in Cash	(133)	233	(15)	2	(37)	16	49	8	71	(53)	(65)	206

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

CIC CONSOLIDATED

SaskPower

Powering the future

Utilities

2020-21 Financial Results

Net earnings of $160.2 million decreased $45.6 million from prior year (2019 -20 - $205.8 million). SaskPower's earnings were supported by a $37.8 million arbitral award related to a contractual dispute as well as earnings from exports during severe winter storms in February 2021. Despite these unexpected sources of revenue, overall earnings decreased from 2019-20 because of lower electricity sales, increased fuel costs and higher capital-related expenses.

Revenue of $2,777.3 million (2019-20 - $2,786.7 million) decreased largely due to reduced demand partially offset by an increase to the federal carbon charge. The revenue associated with the federal carbon charge will be used to fund SaskPower's federal carbon tax payments. Electricity sales volumes to Saskatchewan customers were 22,377 gigawatt hours (GWh), down 695 GWh or 3.0 per cent compared to the prior year. This was due to reduced activity in the oilfield and commercial customer classes resulting from the economic impact of COVID-19 and volatility in global oil prices, as well as reduced production in all industrial customer sectors except potash.

Expenses of $2,617.1 million (2019-20 - $2,579.8 million) increased mainly due to increased import prices in addition to increased federal carbon charges offset by reduced demand. Capital-related expenses, including depreciation, finance charges and taxes, increased consistent with the growth in SaskPower's capital program. Other expenses decreased primarily due to an arbitral award received related to a contractual dispute. Operating expenses decreased compared to 2019-20 due to reduced operating and maintenance costs related to SaskPower's power purchase agreements, timing of overhauls at generation facilities, and reduced travel and training expenses and customer programs due to the COVID-19 pandemic.

Gross long-term debt, notes payable and lease liabilities of $8,022.0 million (2019-20 - $8,262.9 million) decreased due to the repayment of notes and lease liabilities during the year partially offset by additional long-term borrowings. SaskPower invested $651.1 million (2019-20 - $695.7 million) in various capital projects, including new generation infrastructure, customer connects, and sustaining transmission and distribution infrastructure.

2021-22 Outlook

SaskPower's earnings are expected to decrease in 2021-22 primarily due to higher expenses. Fuel and purchased power costs are expected to increase due to higher federal carbon charges and increased renewable generation. Depreciation is expected to increase from additional capital expenditures. Lower revenue is expected from exports and other non-electricity sources.

SaskPower is currently on pace to reduce greenhouse gas (GHG) emissions by more than 50.0 per cent from 2005 levels by 2030.

This decline in earnings is expected to be partially offset by a forecasted 2.1 per cent increase in demand as the economy recovers from the pandemic, as well as a decrease in finance charges from debt repayments made in 2020-21.

SaskPower will make significant investments in its generation, transmission and distribution infrastructure, with anticipated capital expenditures of $937.6 million in 2021-22. SaskPower will also invest an additional $50.0 million from the Power Grid Renewal Grant provided through the Ministry of SaskBuilds and Procurement to support incremental transmission and distribution sustainment capital projects.

Key Enterprise Risks, Mitigations and Action Plans

The top three risks identified through the Enterprise Risk Management process are Stakeholder Expectations, Safety of Employees and Public, and Security.

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net earnings	**$ 160.2M**	$ 205.8M	$ 197.0M	$ 145.5M	$ 56.3M
Dividends declared to CIC	**$ 48.1M**	$ 20.6M	$ 19.7M	$ -	$ -
Total assets	**$ 12,133.5M**	$ 12,203.0M	$ 11,811.7M	$ 11,456.2M	$ 10,908.4M
ROE	**5.8%**	7.8%	7.9%	6.2%	2.5%
Debt ratio	**71.4%**	72.6%	74.1%	74.9%	75.5%

Stakeholder expectations are changing, with greater transparency, involvement and stewardship expected. Positive stakeholder engagement through effective media relations activities and communication of SaskPower's needs and strategic direction helps SaskPower achieve its objectives and deal with adversity or significant change when it impacts the organization and its stakeholders. Initiatives planned for 2021-22 include continued partnership with the First Nations Power Authority to facilitate engagement, the development of an enhanced routing/siting process for new infrastructure, an Indigenous Relations Strategy three-year plan, an engagement strategy for the future power systems, and annual workshops with key and major account customers.

There are considerable hazards and risks associated with working on high voltage equipment, on equipment operated at a high temperature or pressure, at heights, with chemicals, and around large machines. SaskPower mitigation strategies include the integration of leadership competencies to foster and reinforce safe work practices, the Standard Protection Code, Standard Operating Procedures, and the planned initiative to integrate safety roadmaps. Contractors and employees are provided with safety orientations and formal training for compliance with legislation and corporate safety requirements. New partnerships have been built with the Ministry of Agriculture and other public and private organizations to raise awareness of public safety that will aim to reduce farming and construction-related incidents.

SaskPower has established physical and cyber security controls to defend its servers, networks and data from attack, damage or unauthorized use. Identity and access management controls restrict unauthorized access of data and malicious manipulation of data by external or internal parties. Data loss prevention techniques have been deployed to identify, monitor and prevent inappropriate sharing of sensitive and confidential information. System vulnerabilities are managed by hardening servers and encrypting mobile assets. SaskPower employees are equipped with various security awareness techniques and training to understand emerging phishing schemes. Additional initiatives planned in 2021-22 include enhancements to the overall Security Program over an 18-month period, improvements to security awareness, improvements to privileged account security, and improved and standardized incident response.

Economic, Environmental and Social Support Initiatives

Within a week of the first presumptive positive case of COVID-19 in Saskatchewan, SaskPower joined other Crown utilities and announced the Crown Utility Interest Waiver Program, allowing customers to defer monthly payments without late payment fees or interest for six months. A further 12-month interest-free repayment period was also included. SaskPower also waived the electricity demand portion of eligible rinks' power bills from March 2021 to September 2021.

Through the government's Economic Recovery Rebate Program, SaskPower is providing a one-time 10 per cent rebate on energy, demand and basic monthly charges from December 1, 2020 to November 30, 2021. Meanwhile, the government, through the Ministry of SaskBuilds and Procurement, approved a Power Grid Renewal Grant for SaskPower. This is a $50.0 million capital contribution and part of an annual record $272.0 million investment in the renewal and replacement of transmission and distribution infrastructure across the province.

Looking into the future, SaskPower is currently on pace to reduce greenhouse gas (GHG) emissions by more than 50.0 per cent from 2005 levels by 2030. SaskPower continues to add more non-emitting sources to Saskatchewan's supply mix, with an additional 400 megawatts (MW) of renewable generation capacity to be in service during the 2021-22 fiscal year. Meanwhile, SaskPower is developing scenarios to reach net-zero GHG emissions from operations by 2050. SaskPower was a participant in the development of the national nuclear Small Modular Reactor (SMR) Action Plan, which outlines ongoing efforts in developing and deploying SMRs across Canada. SaskPower is also evaluating the feasibility of several other emerging supply options, including next generation carbon capture and storage, utility-scale battery storage, hydrogen, geothermal energy, and the expansion of interconnections with neighbouring jurisdictions.

SaskPower remains active in Saskatchewan communities and invested approximately $2.1 million in educational programming and community initiatives in 2020-21.

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Total customer accounts	**545,179**	540,727	537,714	532,719	528,059
Gross electricity supplied (gigawatt hours)	**24,634**	25,033	25,777	25,317	24,374
Available generating capacity (net megawatts)	**4,987**	4,893	4,531	4,493	4,491
Annual peak load (net megawatts)	**3,722**	3,722	3,723	3,792	3,747
Power lines (kilometres)	**157,572**	157,129	156,747	157,562	158,723
Full-time equivalents	**3,432**	3,602	3,668	3,608	3,643

SaskTel

Utilities

2020-21 Financial Results

As we transitioned to working and learning from home, SaskTel assisted its customers by waiving wireless data overages in 2020-21 from March 17 to June 8 and again from December 17 to January 11. Free content was also provided to residential *maxTV™* and *maxTV* Stream customers.

Earnings were $130.8 million (2019-20 - $119.8 million), up $11.0 million from 2019-20. Total operating revenue increased to $1,317.7 million (2019-20 - $1,283.7 million), up $34.0 million, or 2.6 per cent from 2019-20, reflecting continued wireless adoption and increased revenue from wireline growth services. This growth was partially offset by ongoing declines in legacy wireline services and customer relief programs related to the COVID-19 pandemic, including reduced roaming revenue due to travel restrictions and reduced data fees due to waiving of data overage fees. Growth in wireless revenue reflected a growing subscriber base, whereas increased revenue in wireline growth services is a result of a higher broadband and data service revenue per customer, as customers opt for higher internet speeds delivered over SaskTel's fibre network as well as increased long distance and teleconferencing revenue due to work from home requirements. The remaining growth in wireline was a result of increased equipment sales to customers and strong expansion in the Information Technology solutions portfolio.

Total operating expenses were $1,167.6 million (2019-20 - $1,132.1 million), up $35.5 million from 2019-20. This increase reflected increased customer costs associated with a growing subscriber base. Depreciation and amortization increased due to growth in capital assets as SaskTel invested in enhancements to support increased demand, customer online orders, and customer self-serve platforms. These increases were partly offset by management's focus on controlled spending on discretionary expenses, including $15.4 million of transformational savings and pandemic imposed reductions on travel, advertising and vehicle costs.

Net finance expenses were $25.6 million (2019-20 - $35.1 million), down $9.5 million from 2019-20 due to: market value gains realized on the redemption of sinking funds related to debt maturities; lower financing costs as a result of lower rate debt issued during the year; and increased capitalized interest. This was partially offset by reduced financing income from increased adoption of zero per cent wireless device financing along with the introduction of the Crown Utility Interest Waiver Program which waived customer interest charges.

Capital expenditures for the fiscal year were $303.3 million (2019-20 - $258.7 million), up $44.6 million from 2019-20. SaskTel's capital spending was related to: expansion of its wireless network, expansion of its fibre network through the Fibre to the Premises program, capacity improvements to its wireline and wireless networks; improvements to its rural transport infrastructure to accommodate rural growth of fixed and mobile voice, video and data services; expansion of northern fibre facilities which will bring high speed bandwidth services to northern residents and businesses; access infrastructure expansion for new neighbourhoods and enhancements for existing neighbourhoods; and investment in customer self-serve and internal systems.

Debt increased to $1,316.5 million (2019-20 - $1,298.4 million) to support SaskTel's capital program. The debt ratio of 50.4 per cent (2019-20 - 47.8 per cent) increased because of the increase in net debt compared to a relatively stable level of equity, year over year.

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net earnings	**$ 130.8M**	$ 119.8M	$ 127.4M	$ 121.0M	$ 134.8M
Operating revenue	**$ 1,317.7M**	$ 1,283.7M	$ 1,277.9M	$ 1,253.2M	$ 1,282.8M
Dividends declared to CIC	**$ 117.7M**	$ 107.8M	$ 114.7M	$ 108.9M	$ 30.0M
Total assets	**$ 2,856.5M**	$ 2,807.3M	$ 2,662.1M	$ 2,489.9M	$ 2,394.5M
ROE	**11.0%**	10.2%	11.0%	11.9%	15.4%
Debt ratio	**50.4%**	47.8%	46.6%	46.2%	47.9%

2021-22 Outlook

SaskTel is forecasting earnings of $100.0 million in 2021-22. Uncertainty remains around the pandemic and when it will be brought under control. Regulatory directives and an evolving competitive landscape could significantly impact SaskTel's wireless and internet lines of business, impacting SaskTel's profitability.

Key Enterprise Risks, Mitigations and Action Plans

With the movement toward digitalization, automation, software-based products and massive numbers of connected devices, cybersecurity will always be a threat and will require constant attention to mitigate. SaskTel regularly assesses its risk environment and continues to implement extensive controls and measures to protect customers, employees and corporate information as well as to mitigate against service disruption.

In 2020-21, SaskTel and its subsidiaries contributed $2.7 million to 327 non-profit and charitable organizations, community associations, venues, events and partnerships in 70 communities throughout the province.

SaskTel's networks and systems are core to delivering services and conducting business. If any of them become 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 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, and declining legacy services. 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.

Economic, Environmental and Social Support Initiatives

This year, SaskTel introduced SaskTel Cares, a campaign which brings together all of SaskTel's Corporate Social Responsibility efforts. This campaign represents many of SaskTel's community initiatives, its commitment to building networks across the province, and its environmental work and numerous sponsorships.

In 2020-21, SaskTel and its subsidiaries contributed $2.7 million to 327 non-profit and charitable organizations, community associations, venues, events and partnerships in 70 communities throughout the province. In addition, SaskTel TelCare celebrated its 70th anniversary in 2020 and $0.2 million in donations were made to 65 non-profit and charitable organizations in the province. The SaskTel Pioneers of nearly 4,000 retired and current employees contributed $0.3 million to programs such as Hug-A-Bears and Books for Literacy.

2020-21 saw SaskTel make considerable progress in expanding its wireless footprint, with the near completion of the Wireless Saskatchewan Initiative. As of September 2020, all 105 previously announced small sites that serve many underserved rural communities were complete. The last phase of the initiative was announced September 23, 2020, which will see the addition of 74 new macro towers on SaskTel's network. Throughout 2020-21, SaskTel invested $283.9 million in capital expenditures to keep up with network demand, particularly for data and cellular service.

SaskTel was once again recognized as one of Canada's Greenest Employers by Mediacorp Canada Inc. Community partnerships, through its employee-led network EnviroCare, strengthen SaskTel's commitment towards creating a healthier planet.

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Wireless accesses	**639,239**	624,208	615,087	611,841	621,100
Wireline accesses	**289,934**	308,719	333,643	356,958	383,301
Internet (includes *maxTV*)	**289,188**	276,460	277,244	278,977	275,381
maxTV subscribers	**114,120**	111,382	112,583	110,881	110,591
Security monitoring subscribers	**81,554**	85,948	76,692	72,467	73,722
Full-time equivalents	**3,422**	3,415	3,719	3,880	3,916

SaskEnergy

Utilities

2020-21 Financial Results

SaskEnergy's earnings before unrealized market value adjustments were $58.5 million and exceeded expectations for 2020-21, but remained $7.6 million lower than 2019-20. This was a result of lower commodity and asset optimization margins, combined with higher employee benefit costs and operating and maintenance expenses. Higher customer capital contributions and lower losses recognized in 2020-21 partially offset the unfavourable variances.

The AECO daily index average was $0.84 per gigajoule higher for the 12 months ending March 31, 2021 compared to the year prior, which reduced commodity and asset optimization margins. Increasing transportation requirements are contributing to higher overall operating and maintenance costs, plus lower asset optimization margins as a component of the transport capacity was secured through asset optimization contracts.

Customer capital contributions increased in 2020-21 as a large capital project for a transmission customer was completed and the related customer contribution revenue was recognized. Losses on disposal of assets declined to normal levels in 2020-21 compared to the prior year.

Capital expenditures were $96.6 million lower than 2019-20. Many system expansion projects planned for 2020-21 were reduced or deferred by SaskEnergy and its customers, due to the uncertainty of the impact of a suppressed oil and gas market and the COVID-19 pandemic resulting in lower than expected load growth.

2021-22 Outlook

SaskEnergy continues to focus on the impacts of the COVID-19 pandemic, the volatility of global oil prices and the reduction in Saskatchewan gas supply being met with reduced demand or increased imports from Alberta.

As SaskEnergy adapts to flat or declining customer demand, there will be an increased focus on core operations

to safeguard its financial strength into the future.
In 2021-22, earnings from operations are projected to be $50.0 million, which is a decrease of $8.5 million from the 2020-21 result. Initiatives targeted to support a green energy strategy, changing Government policy and regulations, and increasing needs for business and technology support create cost pressures for SaskEnergy; however, SaskEnergy will continue to focus on effective operations, achieving cost savings through business process improvements, leveraging technology and collaboration with other Crown corporations and executive government.

Throughout 2021-22, SaskEnergy will make $263.0 million in net capital investments in the province, including adding customers to the natural gas distribution network, maintaining the safety and reliability of the natural gas transmission and distribution systems, meeting regulatory compliance, and optimizing SaskEnergy's business systems.

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net earnings	**$ 80.8M**	$ 43.5M	$ 165.7M	$ 143.5M	$ 145.6M
Operating earnings	**$ 58.5M**	$ 66.1M	$ 133.3M	$ 110.9M	$ 69.9M
Dividends declared to CIC	**$ 20.6M**	$ 23.1M	$ 60.0M	$ 38.8M	$ 28.9M
Total assets	**$ 3,294.3M**	$ 3,221.7M	$ 2,937.7M	$ 2,687.6M	$ 2,505.4M
Operating ROE	**5.2%**	6.1%	12.9%	12.2%	8.8%
Debt ratio	**58.3%**	57.7%	54.9%	56.1%	58.6%

Key Enterprise Risks, Mitigations and Action Plans

SaskEnergy is subject to a number of risks in the transmission, storage, distribution and sale of natural gas. SaskEnergy undertakes annual risk assessments, which are used as inputs to strategic and business planning processes. The Enterprise Risk Management process establishes roles and responsibilities as well as a general strategy for SaskEnergy to manage its risks.

SaskEnergy's Tune-Up Assistance Program received the Canadian Gas Association's Michael Mulcahy Award for Excellence and Innovation in Customer Care and Service.

There is a possibility that government(s) could impose new environmental or operational regulations that impair or restrict operations or prevent further development of SaskEnergy's gas system. SaskEnergy responds to new regulations as efficiently as possible and actively participates and engages with the Government of Saskatchewan's Climate Change Committee to share information and proactively prepare for any upcoming regulatory impacts.

There is a risk to growth and system use as a result of changes in the public perception of natural gas. While the acceptability of natural gas use presently remains high in the local market, SaskEnergy is proactively responding with corporate branding and marketing that highlights SaskEnergy's energy efficiency programs as well as operational sustainability projects that improve SaskEnergy's efficiency related to emissions. In addition, SaskEnergy actively participates in new energy efficiency infrastructure developments as they arise.

There is a risk to natural gas line infrastructure development and maintenance due to public objection from a cultural, safety, environmental or societal perspective. Customers want a high level of service, but many do not want the associated infrastructure nearby or through their land. The organization's land acquisition and engagement processes have focused on addressing the concerns of impacted stakeholders, including Indigenous groups, individual landowners and other members of the public. These processes will continue to adapt to address concerns and mitigate any impacts to specific projects.

Economic, Environmental and Social Support Initiatives

SaskEnergy assessed and continues to monitor the impact of the COVID-19 pandemic on its operations and the health and well-being of its customers. In response, SaskEnergy implemented the Government of Saskatchewan's Crown Utility Interest Waiver Program. The program waived late payment charges and interest fees for utility customers who were unable to make natural gas payments from March to September 2020.

Customers acknowledge their environmental footprint and value ways SaskEnergy can help meet their environmental aspirations. Customers also expect SaskEnergy's commitment to the protection of the environment, which includes reducing the impact of operations on the environment and recognizing SaskEnergy's role as a steward of a non-renewable resource.

SaskEnergy's Tune-Up Assistance Program received the Canadian Gas Association's Michael Mulcahy Award for Excellence and Innovation in Customer Care and Service. SaskEnergy assisted 725 low-income homeowners with free furnace maintenance through the program in 2020-21. SaskEnergy also distributed 1,015 carbon monoxide (CO) alarms to Saskatchewan residents, while providing approximately $0.2 million in rebates to homeowners who purchased CO alarms and provided over $1.8 million in rebates to homeowners and businesses that purchased and installed qualifying natural gas heating systems.

SaskEnergy enacted a corporate biosecurity policy in 2020-21, which helped achieve a 155,000 tonnes carbon dioxide equivalent reduction in greenhouse gas emissions from operations year-over-year. SaskEnergy also joined the Prairie Conservation Action Plan partnership to raise awareness and take action on initiatives to conserve native prairie and species at risk in Saskatchewan, and it established and expanded collaborations with Indigenous environmental organizations.

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Total distribution customers	**402,827**	399,826	397,367	394,592	390,886
Residential average usage (m^3)	**2,694**	2,631	2,681	2,736	2,543
Distribution gas lines (km)	**71,305**	70,996	70,703	70,180	69,870
Transmission gas lines (km)	**15,209**	15,169	15,090	15,127	15,228
Compressor horsepower (HP)	**95,308**	95,308	88,588	89,141	86,065
Peak day gas flows (petajoules)	**1.59**	1.55	1.50	1.50	1.36
Full-time equivalents	**1,082**	1,056	1,017	1,028	1,059

SaskWater

Utilities

2020-21 Financial Results

SaskWater provides safe, reliable and sustainable water services for Saskatchewan. Despite the unprecedented challenge of the COVID-19 pandemic throughout 2020-21, SaskWater had no pandemic related service outages and was able to follow all public health and safety measures, including physical distancing, limiting travel and requiring employees to work from home where possible.

Net earnings in 2020-21 were $8.3 million, compared to $8.4 million in 2019-20. Revenue increased by 6.4 per cent, largely due to a $4.0 million increase in potable water sales. There were three primary contributors to the increase: providing a full year of service versus a partial year to a significant customer signed in the latter portion of 2019-20; new infrastructure on a substantial system came into service at the start of the year, while a corresponding rate plan adjustment came into effect; and the hot summer bolstered water sales.

Expenses increased by approximately $3.2 million to generate the additional revenue, with $1.7 million of this relating to depreciation. The public health measures necessary during the pandemic resulted in reduced expenses for travel, training and the deferral of some non-essential repairs and maintenance. Finance expense on funds borrowed to finance capital investments rose by $0.1 million to $2.6 million in 2020-21. Finance income fell by approximately $0.6 million in the year, as $6.5 million in sinking funds were redeemed in 2019-20 to pay off long-term debt that matured during the year. SaskWater also realized a significant gain on the sale of the sinking funds when they were redeemed.

SaskWater spent $17.2 million on various capital projects (2019-20 - $24.0 million). The majority of the funds were to support growth and system upgrades for existing customer communities. Capital investment was lower in 2020-21, as investments to support two significant customers were coming to a close in 2019-20 and negotiating agreements to support a new regional system took longer than expected this year, which pushed the start of the project to 2021-22. Long and short-term debt used to finance capital projects was $88.9 million at March 31, 2021 (2019-20 - $87.4 million). SaskWater's debt ratio was 49.2 per cent at March 31, 2021 (2019-20 - 50.0 per cent) and remained at a sustainable level.

SaskWater had previously set an emissions intensity target for 2020, pledging to reduce greenhouse gas (GHG) emissions by 20.0 per cent from 2006 levels. As of 2019, SaskWater achieved a 31.0 per cent reduction, with 444 tonnes of GHG emissions per 1.0 million cubic metres of water pumped or treated. This target was revised in 2020, when SaskWater set a ten-year goal to reduce GHG emissions by 40.0 per cent from 2005 levels.

2021-22 Outlook

SaskWater's focus remains on regionalization. It endeavours to identify areas in the province where communities and their rural neighbours are in need of a new water supply and could work together to find solutions. SaskWater is investigating opportunities where non-potable water is required for industrial use. These are typically multi-year projects as these customers conduct their own business feasibility analysis and secure financing before new infrastructure is built.

Earnings are expected to be $7.0 million in 2021-22, generating a return on equity of 8.9 per cent in line with SaskWater's long-term return on equity target of 9.0 per cent. The major factor for the reduction in earnings from 2020-21 is an expected decrease in potable water sales, due in part to changes in servicing arrangements for some of SaskWater's customers and in part to reflect historical average water use in customer communities. In addition, pandemic safety measures are anticipated to ease over the

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net earnings	**$ 8.3M**	$ 8.4M	$ 7.5M	$ 8.1M	$ 6.5M
Total assets	**$ 375.2M**	$ 372.0M	$ 359.7M	$ 351.9M	$ 388.1M
Dividends declared to CIC	**$ 6.3M**	$ 4.2M	$ 3.7M	$ 2.0M	$ 1.6M
ROE	**10.9%**	11.3%	10.7%	12.5%	11.0%
Debt ratio	**49.2%**	50.0%	46.1%	46.6%	44.7%

course of the year, including the physical distancing and travel restrictions, leading to increased spending on travel, training and addressing deferred maintenance.

Capital expenditures are expected to be $23.7 million in 2021-22 and include work on the early phases of a new regional municipal system and investments to ensure the safe and reliable operation of various existing systems.

Key Enterprise Risks, Mitigations and Action Plans

The provision of potable water is inherently risky due to the potential for contamination by pathogens, naturally occurring compounds in water sources or chemical pollutants. SaskWater rigidly complies with extensive regulatory standards to ensure the safety of the water it provides. It also operates an extensive remote monitoring system 24 hours a day on a year-round basis. In addition, Quality Control, Quality Assurance and Emergency Response plans are in place ensuring system operators either meet or exceed the education and training requirements specific to each facility.

Over 90.0 per cent of SaskWater's assets relate to the infrastructure necessary to provide water services to customers. To ensure the reliability of its systems and continuity of services, SaskWater has developed an asset management system to track and proactively plan maintenance activity. Its systems are designed and built to offer a certain amount of redundancy to minimize potential downtime. SaskWater also conducts system vulnerability assessments and periodically engages third parties to conduct system audits to identify any potential problems.

Economic, Environmental and Social Support Initiatives

SaskWater is very conscious of the environment and recognizes that water is a critical resource. The SaskWater website is an excellent resource for water conservation information with links and printable documents. SaskWater minimizes potential water losses by keeping a close eye on its 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.

Power is an important resource in the provision of water services to customers. SaskWater had previously set an emissions intensity target for 2020, pledging to reduce greenhouse gas (GHG) emissions by 20.0 per cent from 2006 levels. As of 2019, SaskWater achieved a 31.0 per cent reduction, with 444 tonnes of GHG emissions per 1.0 million cubic metres of water pumped or treated. This target was revised in 2020, when SaskWater set a ten-year goal to reduce GHG emissions by 40.0 per cent from 2005 levels.

SaskWater's GHG Committee meets regularly to review potential initiatives to reduce GHG emissions. The committee has implemented several initiatives, including installing solar panels at the Cory Booster Pump Station 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.

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Total customer accounts	**415**	415	415	414	414
Total sales volumes (cubic metres)	**44.2M**	45.6M	48.7M	44.7M	43.9M
Kilometres of potable and non-potable pipeline	**942**	942	967	964	935
Full-time equivalents	**132**	129	130	127	124

Insurance

2020-21 Financial Results

SGI CANADA's operating results for the year were strong, achieving earnings of $172.1 million (2019-20 - $49.9 million), and an annualized return on equity of 37.2 per cent.

The solid financial results were due to an underwriting income of $70.7 million (2019-20 - $25.4 million), as well as investment earnings of $128.7 million (2019-20 - $22.7 million) which were driven by strong equity returns from the improvement of the markets during the year.

SGI CANADA continues to experience strong customer growth across all jurisdictions, with gross premiums written increasing $69.3 million, or 6.9 per cent from 2019-20.

Net claims incurred decreased by 1.3 per cent in the year, while the loss ratio decreased by 4.8 percentage points compared to the prior year. Improvement in the loss ratio was achieved in all jurisdictions except Saskatchewan, due to an increase in summer storms as compared to last year and a rare winter windstorm that occurred in January 2021.

SGI CANADA's Minimum Capital Test of 242.0 per cent (2019-20 - 242.0 per cent) is consistent with the target and long-term goal of 242.0 per cent.

2021-22 Outlook

The Canadian property and casualty 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 embarked on a new strategy in 2020-21 with its sights set on becoming a digital insurer. To achieve this, SGI CANADA is transforming its technology, operations and culture, placing corporate transformation at the heart of the strategy. Along with the transformation activities, SGI CANADA recognizes the need to continue to grow and aims to achieve this growth through positive customer experiences, in partnership with brokers.

SGI CANADA embarked on a new strategy in 2020-21 with its sights set on becoming a digital insurer. To achieve this, SGI CANADA is transforming its technology, operations and culture, placing corporate transformation at the heart of the strategy.

SGI CANADA's goal is to achieve $1.1 billion in direct premiums written by the end of the 2021-22 year, while continuing with transformation activities. To achieve this, SGI CANADA will continue to focus on four key areas in 2021-22: empowering employees; engaging customers; optimizing operations; and transforming products.

The insurance industry has proven to be resilient throughout the COVID-19 pandemic, but it is not isolated from the impact it is having on people and the economy. SGI CANADA is positioned to support customers, brokers and employees throughout the pandemic.

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net earnings	**$ 172.1M**	$ 49.9M	$ 48.0M	$ 59.4M	$ 65.2M
Dividends declared to CIC	**$ 87.0M**	$ 54.2M	$ 12.5M	$ 35.8M	$ 43.0M
Total assets	**$ 1,845.1M**	$ 1,664.6M	$ 1,580.5M	$ 1,438.4M	$ 1,335.6M
ROE	**37.2%**	11.8%	11.8%	15.8%	18.5%
Minimum Capital Test[1]	**242%**	242%	240%	242%	243%

[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.

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, organizational change agility, responsiveness to business needs, competition, system availability and recovery, information security, acquisition and development of expertise, product design and pricing, and distribution channels. These risks represent key areas in SGI CANADA's strategic plan, and as such, it has prioritized resources towards key business processes and corporate projects which will mitigate these risks.

Economic, Environmental and Social Support Initiatives

The COVID-19 pandemic had wide-ranging impacts on people and industries across the globe, and the insurance sector was no exception. At SGI CANADA, the safety and security of its customers, employees and partners was the top priority as provinces across the country declared states of emergency and lockdowns and restrictions came into effect. SGI CANADA quickly implemented a stream of initiatives designed to provide support, options and flexibility for customers, staff and brokers in B.C., Alberta, Saskatchewan, Manitoba and Ontario. These initiatives included offering multiple flexible payment options, making coverage amendments to relax requirements for personal and commercial customers and providing extended time limits on settling claims. SGI CANADA also transitioned 92.0 per cent of its employees to work from home. Broker partners stepped up to provide safe service to customers, offering more online options, following safety protocols on-site and implementing innovative methods to keep delivering great service and stay connected.

In 2020-21, SGI CANADA invested $0.3 million in sponsorships for community-based organizations, clubs and associations. As an insurance company, keeping people safe at home, on the road, and on the job is important. SGI CANADA supported safety-related activities organized by the Saskatchewan Trucking Association, crime prevention programs such as Crime Stoppers and Citizens on Patrol, and fire prevention initiatives for volunteer fire departments. To help promote and sustain youth sporting, cultural and diversity programs, SGI CANADA contributed to Football Saskatchewan, local baseball and minor hockey programs, and the Saskatchewan Games Council.

When disaster strikes, SGI CANADA is ready to care for communities in times of need.

SGI CANADA has been part of the fabric of Saskatchewan for more than 75 years, supporting communities and providing protection for what matters most. SGI CANADA marked its 75th year of operations through a sponsorship to the Canadian Red Cross, to assist its disaster relief efforts. As part of the partnership, SGI CANADA provided an opportunity for the Red Cross to access a list of SGI volunteers under the "Ready When the Time Comes" volunteer engagement program. When disaster strikes, SGI CANADA is ready to care for communities in times of need.

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net premiums written	**$ 1,010.5M**	$ 940.4M	$ 860.9M	$ 745.2M	$ 693.6M
Number of policies in force	**933,216**	891,973	846,490	696,635	671,119
Number of claims	**97,518**	109,387	110,891	116,301	108,122
Full-time equivalents	**2,040**	2,045	1,955	1,904	1,912

SGI

Insurance

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

2020-21 Financial Results

The Auto Fund had an increase in the Rate Stabilization Reserve (RSR) of $283.4 million. This increase is net of the $285.0 million rebate to policy holders that was announced during the year and paid out in May 2021. Excluding the rebate, the Auto Fund generated a profit of $568.4 million.

The Auto Fund generated investment earnings of $508.5 million during the fiscal year. The investment portfolio generated exceptionally strong returns during the year, driven primarily from the equity portfolio. The high returns helped the Auto Fund maintain its capital base above target levels.

2021-22 Outlook

The Auto Fund continues to be efficient and well-run, consistently providing among the lowest auto insurance rates in Canada.

The Auto Fund continued to embark on its new strategy of becoming a digital insurer. To achieve this, the Auto Fund is transforming its technology, operations and culture, placing corporate transformation at the heart of the strategy. Along with the transformation activities, the Auto Fund recognizes the importance of providing low insurance rates and traffic safety leadership.

The Auto Fund continues to maintain its goal of being among the lowest two provinces when it comes to the cost of insurance and reducing the number of traffic injuries and fatalities. To achieve this, the Auto Fund will continue to focus on four key areas in 2021-22: empowering employees; engaging customers; optimizing operations; and transforming products.

Key Enterprise Risks, Mitigations and Action Plans

The risks that represent the most serious threats to the Auto Fund are corporate transformation, organizational change agility, responsiveness to business needs, system availability and recovery, information security, acquisition and development of expertise, and market value change. 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 towards key business processes and corporate projects which will mitigate these risks.

SGI and the Auto Fund put in place significant COVID-19 pandemic response measures to ensure the safety of customers and employees, rapidly transitioning 92.0 per cent of employees to work from home and adapting its business processes to serve customers online and over the phone. For its efforts, SGI was recognized by Key Media as Canada's Safest Employer in the public sector.

Economic, Environmental and Social Support Initiatives

SGI and the Auto Fund put in place significant COVID-19 pandemic response measures to ensure the safety of customers and employees, rapidly transitioning 92.0 per cent of employees to work from home and adapting

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net earnings (loss)	**$ 283.4M**	$ (46.7M)	$ 77.5M	$ 210.1M	$ 188.7M
Total assets	**$ 3,713.0M**	$ 3,056.7M	$ 3,040.6M	$ 2,865.0M	$ 2,627.4M
Minimum Capital Test[1]	**179%**	156%	145%	141%	108%
Rate Stabilization Reserve	**$ 1,090.1M**	$ 806.7M	$ 853.5M	$ 776.0M	$ 565.9M

[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. The MCT ratios disclosed are rolling 12-month averages. The Auto Fund target MCT is 140 per cent.

its business processes to serve customers online and over the phone. SGI also took additional measures to mitigate potential COVID-19 exposure for staff and customers on-site. It implemented masking and stringent cleaning procedures, installed safety barriers at front counters, limited the number of customers in a building at the same time, and implemented modified road-testing procedures to enable physical distancing and allow for road testing services to resume. For its efforts, SGI was recognized by Key Media as Canada's Safest Employer in the public sector.

In 2020-21, the Auto Fund continued to combat impaired driving and make roads safer by:

- Launching its campaigns to portray the dangers of driving following drinks after work (*Could You Live With Yourself?*) and emphasizing the importance of driving distraction-free (*Everything Else Can Wait*);
- Providing funding for law enforcement to conduct high-visibility check stops, and purchasing alcohol and drug screening devices to catch impaired drivers;
- Offering its Mandatory Entry-Level Training program for semi drivers online, with all drivers required to complete the program before obtaining a Class 1 licence; and
- Providing grants totaling $1.3 million to 116 Saskatchewan communities for road safety improvements under The Provincial Traffic Safety Fund Grant program.

In keeping with its commitment to bring the Truth and Reconciliation Commission of Canada's Calls to Action into business decisions and practices, SGI and the Auto Fund:

- Funded Traffic signs for Kinistin First Nation with messaging to *Stop, Slow Down, and Watch for Children* in English and Saulteaux;
- Supported all-terrain vehicle (ATV) and snowmobile instructor certification for northern Indigenous communities, where ATVs and snowmobiles are a common mode of transportation; and
- Focused on injury prevention, partnering with Prince Albert Grand Council, RCMP, the Acquired Brain Injury Partnership Project and Athabasca Health Authority to distribute 341 safety helmets to school children in Fond-du-Lac, Black Lake and Wollaston Lake.

Swift Current driver examiner, Bob Moore, points out the dash camera installed in the vehicle of a road test applicant. The change was made to accommodate COVID-19 protocols.

In September 2020, the Saskatoon Police Service rolled out a $100,000 mobile alcohol and drug testing van, with the help of SGI and the Government of Saskatchewan.

To commemorate SGI CANADA's 75th anniversary, SGI CANADA donated $125,000 to the Canadian Red Cross to assist with disaster relief efforts. Canadian Red Cross Vice President, Luc Mullinder, accepted the cheque virtually from SGI's President and CEO, Andrew Cartmell.

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net premiums written	**$ 979.2M**	$ 952.2M	$ 941.8M	$ 927.6M	$ 925.0M
Number of licensed drivers	**825,000**	816,000	815,000	812,000	806,000
Number of claims	**104,495**	119,677	121,933	126,316	118,060
Number of injuries per 100,000 population[1]	**301.4[2]**	358.7	361.9	390.7	499.7
Number of fatalities per 100,000 population[1]	**7.4**	6.0	11.0	8.6	10.9

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

[2] Injury data for 2020 is preliminary and may change as collision data continues to be reported.

SaskGaming

2020-21 Financial Results

In order to meet the challenges of a mature gaming market, SaskGaming has embedded a culture of efficiency in operations and strategic investment decisions. The 2020-21 budget included an emphasis on capital investment and enhanced guest experience, with multi-year property refresh and gaming modernization projects. While the COVID-19 pandemic had a significant impact on operations throughout the year, SaskGaming remained committed to these objectives with capital expenditures of $8.1 million (2019-20 - $10.5 million).

Considering advice from Saskatchewan public health and the Chief Medical Health Officer, SaskGaming suspended operations and temporarily closed Casinos Regina and Moose Jaw at the end of gaming day on March 16, 2020. The casinos re-opened to the public on July 9, 2020 with capacity restrictions and operated under strict health and safety protocols until 12:01 a.m. on December 19, 2020, when a new public health order again required the temporary closure of the casinos. As a result of the temporary closures of Casinos Regina and Moose Jaw during the first and fourth quarters of 2020-21, the net loss for the year was $13.4 million, a decrease in earnings of $33.5 million from 2019-20.

The decrease in earnings was primarily due to a decline in revenue of $83.2 million. This decrease was due to the temporary casino closures. Revenue was also impacted by the capacity restrictions in place when the casinos re-opened. Revenue earned during the year was primarily comprised of revenue from slot machines and electronic table games.

The decline in earnings was partially offset by a reduction in expenses of $49.7 million. This decrease was due in part to SaskGaming making no payment to the General Revenue Fund (GRF) for 2020-21 due to its net loss position

(2019-20 - $20.1 million). The remainder of the decrease in operating expenses was due to the temporary casino closures. These decreases included reduced salaries, wages and benefits driven primarily by temporary employee layoffs during the temporary casino closures.

In 2020-21, SaskGaming held debt consisting of a finance lease and short-term debt with the GRF. The finance lease was reduced to $4.5 million (2019-20 - $5.0 million). SaskGaming maintained short-term debt with the GRF in the form of a promissory note in the amount of $5.0 million (2019-20 - $5.0 million) and contributed to a debt ratio of 15.9 per cent (2019-20 - 14.3 per cent).

SaskGaming does not have share capital, but it has received $4.0 million in equity advances from CIC to form its equity capitalization.

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net (loss) earnings	**$ (13.4M)**	$ 20.1M	$ 22.5M	$ 23.2M	$ 24.4M
Dividends declared to CIC	**$ -**	$ 13.3M	$ 18.0M	$ 18.6M	$ 29.5M
Total assets	**$ 70.1M**	$ 84.1M	$ 78.7M	$ 74.8M	$ 79.5M
Debt ratio[1]	**15.9%**	14.3%	9.3%	10.7%	12.3%

[1] In 2020-21, SaskGaming adjusted the calculation of the debt ratio to align with Balanced Scorecard measures. Prior year figures have been restated.

2021-22 Outlook

Under the Saskatchewan Re-Opening Roadmap published on May 4, 2021, casinos are permitted to re-open as a part of Step Two with a 150 person maximum capacity. Step Two is confirmed to begin on June 20, 2021. The restrictions in place upon re-opening are expected to impact operational results for 2021-22. SaskGaming remains committed to furthering strategic objectives during this time, including continued property refresh and gaming modernization.

Key Enterprise Risks, Mitigations and Action Plans

Business interruption is the top risk at SaskGaming, as evidenced by the impact of the COVID-19 pandemic. To mitigate this risk, SaskGaming maintains a Business Continuity Management Program (BCMP), which includes an Information Technology disaster recovery plan, pandemic plan, strike contingency plans, crisis communications plan, as well as a business continuity plans for both Casinos Regina and Moose Jaw. The BCMP is reviewed and exercised annually and updated, as required, to ensure it remains current.

During the temporary closures, SaskGaming supported Saskatchewan's construction industry and sub-trades through the continuation of renovations at Casino Regina.

SaskGaming operates in a mature gaming market, and while SaskGaming has managed to maintain profitability (with 2020-21 as an exception) due to expense reductions and new revenue initiatives, there remains a risk that it may not be able to achieve sustainable earnings over the long-term. To address this risk, SaskGaming is modernizing its business model and educating stakeholders on the need to take advantage of new opportunities.

Ensuring employees are healthy, engaged and in the workplace is key to meeting SaskGaming's corporate goals and delivering an 'Always Entertaining' experience to guests. To that end, Talent Management has been identified as a top corporate risk. Strategies to address this risk include: situational leadership and coaching in excellence training; development of a Wellness Strategy to provide employees with requisite supports to facilitate overall wellness and work-life balance; and the use of Employee Satisfaction Committees to discuss concerns and develop strategies to address root causes of employee dissatisfaction as needed.

Economic, Environmental and Social Support Initiatives

SaskGaming offers casino entertainment in a socially responsible manner, while supporting the communities in which it operates. Casinos Regina and Moose Jaw maintain accreditation through the Responsible Gambling Council's (RGC) RG Check Program. The RGC is an independent non-profit organization dedicated to problem gambling prevention.

During the temporary closures, SaskGaming supported Saskatchewan's construction industry and sub-trades through the continuation of renovations at Casino Regina.

SaskGaming, in partnership with a Saskatchewan company, will review the energy usage at Casino Regina and proactively identify inefficiencies in equipment before costly breakdowns or downtime. This will allow SaskGaming to cut down on energy usage, save on power costs and reduce its carbon footprint in support of Saskatchewan's environmental commitments.

Saskatchewan communities are important and giving back is integral to SaskGaming's mandate. Through its Community Relations program, SaskGaming contributes approximately one per cent of its earnings before payment to the General Revenue Fund to community sponsorships, in-kind support and donations, with 25.0 per cent of those investments allocated to Indigenous projects, programs and initiatives. Unfortunately, due to the losses incurred in 2020-21, community programming was negatively impacted.

CIC CONSOLIDATED

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Guest satisfaction	**-**[1]	72.6%	75.5%	78.1%	80.0%
Full-time equivalents	**254**[2]	567	577	583	606

[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.

Investment & Economic Growth

2020-21 Financial Results

SOCO, operating as Innovation Place, exists to help grow Saskatchewan's technology sector. Through the development and operation of the technology parks in Saskatchewan, Innovation Place provides a unique environment that encourages collaboration, innovation and entrepreneurship. This environment is far more than a cluster of buildings and spaces. It is a carefully constructed framework of tenant clusters and technical, social, physical and business components.

During fiscal 2020-21, 12 new startup technology companies located at Innovation Place, bringing the total to just under 200 companies since 1993. Of the businesses which started operations at the parks, 62 (31.0 per cent) are still active in Saskatchewan, with 60 of these now operating at locations outside of Innovation Place.

Earnings of $0.6 million for the year ended March 31, 2021 are $2.4 million lower than the prior fiscal year. Total revenue of $37.5 million decreased by $2.0 million from the prior year. Vacancy at March 31, 2021 was 15.0 per cent reflecting an increase of 3.5 percentage points when compared to the prior year. Although higher than historical levels of 3.0-5.0 per cent, SOCO's current vacancy level is consistent with commercial vacancy trends in Regina and Saskatoon.

Expenses of $35.2 million (2019-20 - $34.2 million) increased $1.0 million primarily due to increases in grants in lieu of property taxes, building repairs and maintenance along with inflationary increases to other expenses.

Investment in capital assets was $5.8 million (2019-20 - $4.0 million), an increase of $1.8 million from 2019-20. Total debt outstanding at March 31, 2021 was $55.2 million, $1.1 million lower than at March 31, 2020.

2021-22 Outlook

Budgeted net earnings for 2021-22 are $0.1 million, reflecting a decrease of $0.5 million when compared to the net earnings of $0.6 million realized in 2020-21.

SOCO will continue to focus on its five key priorities which are: enhancing innovation within Saskatchewan's technology sector; communicating its purposes to technology, education and business communities; fostering collaboration and growth with existing and new partners; maximizing efficiency in operations; and attracting and retaining valuable and compatible tenants.

The average monthly vacancy rate reflected in the 2021-22 budget is 16.1 per cent, 2.3 percentage points higher than the actual average vacancy for 2020-21 of 13.8 per cent. Although 2021-22 reflects several expansions and new leasing opportunities, the impact on overall vacancy is expected to be offset, primarily due to the expected downsizing of a significant tenant. Rent revenue of $38.0 million is expected to increase by $0.5 million when compared to 2020-21 actuals. This increase is due to tenant employees returning to the parks causing parking revenue to increase.

Capital expenditures for 2021-22 are expected to be $6.5 million. The projects planned for the year either address revenue generating opportunities associated with filling vacant space or capital reinvestments required to ensure SOCO's infrastructure is maintained in a way that supports long-term sustainability.

Key Financial Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Net earnings	$ 0.6M	$ 3.0M	$ 3.5M	$ 5.6M	$ 0.5M
Dividends declared to CIC	$ 0.6M	$ 2.7M	$ 3.1M	$ 3.1M	$ -
Total assets	$ 192.5M	$ 195.1M	$ 195.8M	$ 199.0M	$ 188.0M
Capital spending	$ 5.8M	$ 4.0M	$ 8.4M	$ 18.8M	$ 12.0M
Debt ratio	21.8%	22.7%	25.2%	23.3%	18.7%

Key Enterprise Risks, Mitigations and Action Plans

The primary risk for SOCO is being unable, with a finite amount of space, to support the growth of existing tenants and the establishment of new tenants. SOCO has addressed this risk by reviewing all tenants from the perspective of their strategic relevance to the core technology clusters in order to determine whether any space can be made available through the relocation of non-core tenants to other space within Regina and Saskatoon. SOCO and the Management Advisory Committees for both parks evaluate potential new tenants according to their strategic fit in core technology clusters.

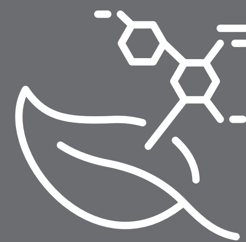
During fiscal 2020-21, 12 new startup technology companies located at Innovation Place, bringing the total to just under 200 companies since 1993. Of the businesses which started operations at the parks, 62 (31.0 per cent) are still active in Saskatchewan, with 60 of these now operating at locations outside of Innovation Place.

Closely associated with the primary risk is the risk of losing a significant tenant or several tenants in one industry, which would negatively impact financial results, an industry cluster, and/or the value for remaining tenants. If the likelihood and impact of this risk increases, it directly affects SOCO's ability to fulfill its mission and potentially decreases the value of the research parks by eroding existing clusters. SOCO continues to make special efforts to retain key strategic tenants.

The two risks above have a direct correlation on the risk of financial sustainability. If vacancy levels increase, as well as the expectation that start-up companies lacking the capacity to pay full lease rates will locate in the parks, profitability will decrease. SOCO prudently manages expenditures and has implemented several efficiency initiatives which have served to reduce expenditures in order to maintain financial sustainability.

Economic, Environmental and Social Support Initiatives

SOCO uses its resources, through transparent and ethical behavior, to maximize the positive impact it makes while achieving strategic objectives. Business practices and activities include the allocation of dollars and in-kind contributions to partnerships, sponsorships and donations to youth/diversity groups and to the science and education community. SOCO recognizes that the corporation and its employees are an integral part of the communities in which it operates and supports its community through contributions to employee selected causes, such as the United Way, as well as participating in food and toy drives.



A significant part of SOCO's efforts to assist with the development of its tenants is the extensive amount of programming delivered. The programming largely focuses on enhancing the business, technical and innovation skills of its tenants. Programming also plays a significant role in providing the social environment required to promote the interaction of tenants. Due to the pandemic, SOCO re-positioned tenant programming to virtual formats. All educational sessions were delivered via webinar, with podcast content and timing adjusted to be current and quicker, and a new series was developed and launched specifically for digital consumption. During 2020-21, between Saskatoon and Regina, SOCO delivered 66 programs, attended by almost 4,600 people.

Key Operational Data

	2020-21	2019-20	2018-19	2017-18	2016-17
Vacancy rates	**15.0%**	11.5%	10.9%	9.7%	7.6%
Number of new startup technology companies locating at Innovation Place	**12**	13	11	10	10
Full-time equivalents	**96**	94	95	93	100

Responsibility for Financial Statements

The accompanying consolidated financial statements have been prepared by management of Crown Investments Corporation of Saskatchewan. They have been prepared in accordance with International Financial Reporting 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 approving the financial statements. The Board of Directors is responsible for reviewing the annual 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 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.

Cindy Ogilvie

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie, CPA, CA, ICD.D
Vice President & CFO

June 23, 2021

Annual Statement of Management Responsibility

I, Kent Campbell, President and Chief Executive Officer of Crown Investments Corporation of Saskatchewan, and I, Cindy Ogilvie, 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, 2021.

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 control over financial reporting, which includes 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, 2021 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:

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie, CPA, CA, ICD.D
Vice President & CFO

June 23, 2021

Independent Auditors' Report

To the Members of the Legislative Assembly 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, 2021
- the consolidated statement of comprehensive income 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 significant accounting policies

(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, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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 auditors' 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 auditors' report thereon, included in the annual report as at the date of this auditors' 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 auditors' 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 International Financial Reporting Standards, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 23, 2021
Regina, Canada

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

	Note	2021	2020
ASSETS			
Current			
Cash and cash equivalents	6	**$ 334,740**	$ 399,308
Short-term investments	7	**136,320**	311,405
Short-term investments under securities lending program	7	**140,140**	-
Accounts receivable	8(d)	**1,077,345**	1,033,040
Derivative financial assets	8	**24,140**	22,102
Inventories	9	**291,513**	255,854
Prepaid expenses		**255,309**	241,664
Contract assets	10	**66,567**	61,548
Contract costs	10	**19,224**	16,735
		2,345,298	2,341,656
Restricted cash and cash equivalents		**4,508**	4,567
Investments	7	**1,934,777**	2,032,800
Investments under securities lending program	7	**199,772**	-
Contract assets	10	**32,396**	22,341
Contract costs	10	**57,110**	58,349
Investments in equity accounted investees	11	**108,860**	73,412
Property, plant and equipment	12	**15,038,612**	14,785,672
Right-of-use assets	13	**646,549**	695,150
Investment property	14	**166,126**	169,240
Intangible assets	15	**413,910**	415,273
Other assets		**14,967**	27,050
		$ 20,962,885	$ 20,625,510
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		**$ 408**	$ -
Trade and other payables		**995,680**	892,964
Derivative financial liabilities	8	**63,188**	105,373
Notes payable	16	**814,004**	1,449,573
Deferred revenue	17	**578,585**	545,625
Provisions	18	**281,904**	267,303
Lease liabilities	19	**50,674**	44,444
Long-term debt due within one year	20	**243,900**	441,246
Contract liabilities	21	**84,757**	99,922
		3,113,100	3,846,450
Provisions	18	**968,493**	1,022,755
Lease liabilities	19	**1,011,025**	1,043,008
Long-term debt	20	**9,196,802**	8,451,387
Contract liabilities	21	**164,905**	169,950
Employee future benefits	22	**239,158**	241,650
Other liabilities		**38,748**	35,798
		14,732,231	14,810,998
Equity advances	23	**808,889**	808,889
Retained earnings		**5,300,447**	4,865,026
Accumulated other comprehensive income	24	**121,318**	140,597
		6,230,654	5,814,512
		$ 20,962,885	$ 20,625,510

Commitments and contingencies 25

(See accompanying notes)

On behalf of the Board:

Director

Director

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

	Note		2021		2020
INCOME FROM OPERATIONS	26				
Revenue		**$**	**5,916,838**	$	5,924,007
Other income			**8,699**		6,150
			5,925,537		5,930,157
EXPENSES					
Operating			**2,898,840**		2,872,875
Salaries, wages and short-term employee benefits			**885,373**		881,562
Employee future benefits	22		**68,872**		69,925
Depreciation and amortization	27		**967,126**		927,607
Loss on disposal of property, plant and equipment			**35,012**		47,146
Impairment (recoveries) losses	28		**(33,928)**		22,669
(Recovery of) provision for decommissioning and environmental remediation liabilities	18		**(15,484)**		1,919
Saskatchewan taxes and fees	29		**159,463**		175,354
			4,965,274		4,999,057
RESULTS FROM OPERATING ACTIVITIES			**960,263**		931,100
Finance income	30		**237,382**		127,302
Finance expenses	30		**(619,153)**		(628,292)
NET FINANCE EXPENSES			**(381,771)**		(500,990)
Share of net earnings from equity accounted investees	11		**6,929**		5,252
NET EARNINGS			**585,421**		435,362
OTHER COMPREHENSIVE (LOSS) INCOME					
Items that may be reclassified subsequently to net earnings:					
Unrealized (losses) gains on sinking funds	7(a)		**(37,477)**		24,304
Unrealized gains on cash flow hedges			**12,142**		26,167
Amounts amortized to net earnings and included in finance income			**459**		75
Reclassification for realized gains on sale of investments included in operations			**-**		384
Items that will not be reclassified to net earnings:					
Impact of changes in actuarial assumptions on defined benefit pension plans	22		**(129,483)**		98,566
Impact of changes in actuarial assumptions on other defined benefit plans	22		**(2,199)**		619
Return (loss) on pension plan assets (excluding interest income)	22		**137,279**		(86,638)
OTHER COMPREHENSIVE (LOSS) INCOME			**(19,279)**		63,477
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$**	**566,142**	$	498,839

(See accompanying notes)

CIC CONSOLIDATED

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			
	Equity Advances	Retained Earnings	Accumulated Other Comprehensive Income (Note 24)	Total Equity
Balance at April 1, 2019	**$ 908,889**	**$ 4,679,664**	**$ 77,120**	**$ 5,665,673**
Total comprehensive income	-	435,362	63,477	**498,839**
Equity advances repaid to the General Revenue Fund (GRF)	(100,000)	-	-	**(100,000)**
Dividends to the GRF	-	(250,000)	-	**(250,000)**
Balance at March 31, 2020	**808,889**	**4,865,026**	**140,597**	**5,814,512**
Balance at April 1, 2020	**808,889**	**4,865,026**	**140,597**	**5,814,512**
Total comprehensive income (loss)	-	585,421	(19,279)	**566,142**
Dividends to the GRF	-	(150,000)	-	**(150,000)**
Balance at March 31, 2021	**$ 808,889**	**$ 5,300,447**	**$ 121,318**	**$ 6,230,654**

(See accompanying notes)

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

	Note		2021		2020
OPERATING ACTIVITIES					
Net earnings		**$**	**585,421**	$	435,362
Adjustments to reconcile net earnings to cash from operating activities	31(a)		**1,351,943**		1,517,474
			1,937,364		1,952,836
Net change in non-cash working capital balances related to operations			**31,788**		161,561
Income taxes paid			**(11,099)**		(460)
Interest paid			**(562,372)**		(569,561)
Net cash from operating activities			**1,395,681**		1,544,376
INVESTING ACTIVITIES					
Interest received			**25,967**		31,599
Dividends received			**822**		4,473
Purchase of investments			**(1,123,192)**		(1,190,804)
Proceeds from sale and collection of investments			**1,046,593**		1,178,203
Purchase of property, plant and equipment			**(1,155,539)**		(1,237,702)
Costs from sale of property, plant and equipment			**(16,154)**		(16,783)
Purchase of intangible assets			**(59,834)**		(83,846)
Purchase of investment property			**(5,493)**		(3,856)
Decrease in restricted cash and cash equivalents			**59**		25
Decrease in other assets			**492**		2,494
Net cash used in investing activities			**(1,286,279)**		(1,316,197)
FINANCING ACTIVITIES	31(b)				
Decrease in notes payable			**(635,557)**		(20,613)
Increase (decrease) in other liabilities			**6,363**		(98,484)
Debt proceeds from the GRF			**996,362**		671,340
Debt repayments to the GRF			**(439,369)**		(42,593)
Debt proceeds from other lenders			**-**		42,209
Debt repayments to other lenders			**(3,048)**		(110,053)
Principal repayment of lease liabilities			**(44,569)**		(37,926)
Sinking fund installments			**(92,912)**		(86,133)
Sinking fund redemptions			**188,352**		10,212
Equity advances repaid to the GRF			**-**		(100,000)
Dividends paid to the GRF			**(150,000)**		(250,000)
Net cash used in financing activities			**(174,378)**		(22,041)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR			**(64,976)**		206,138
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			**399,308**		193,170
CASH AND CASH EQUIVALENTS, END OF YEAR		**$**	**334,332**	$	399,308
Cash and cash equivalents consists of:					
Cash and cash equivalents	6	**$**	**334,740**	$	399,308
Bank indebtedness			**(408)**		-
		$	**334,332**	$	399,308

(See accompanying notes)

CIC CONSOLIDATED

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 International Financial Reporting Standards (IFRS). The consolidated financial statements were authorized for issue by the Board of Directors on June 23, 2021.

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(c)).
- 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 18).
- Employee future benefits are recognized at the fair value of plan assets less the present value of the accrued benefit obligation (Note 22).

c) Functional and presentation currency

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

d) Use of 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. Where possible, the Corporation has included the impacts of COVID-19 on estimates and assumptions.

Significant items subject to estimates and assumptions include the carrying amounts of property, plant and equipment (Note 12, 27 and 28), right-of-use assets (Note 13), lease liabilities (Note 19), intangible assets (Note 15, 27 and 28), investment property (Note 14, 27 and 28), provisions (Note 18), accounts receivable (Note 8(d)), inventories (Note 9), investments (Note 7 and 28), contract assets and costs (Note 10), contract liabilities (Note 21) and investments in equity accounted investees (Note 11), the underlying estimations of useful lives of depreciable assets (Note 27), the fair value of financial instruments (Note 8), the carrying amounts of employee future benefits including underlying actuarial assumptions (Note 22), and the measurement of commitments and contingencies (Note 25).

2. Basis of preparation *(continued)*

e) Use of 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.

f) COVID-19 impact assessment

The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. The Corporation has assessed and continues to monitor the impact of COVID-19 on its operations. Potential impacts include loss of revenue, disruption of supply chain, impairments of assets and challenges associated with a remote or unavailable workforce. Estimates of these impacts have been included where appropriate. Given the uncertainty of the magnitude and duration of the pandemic, it is not possible to determine if there are significant additional impacts on current operations or reported asset and liability values.

3. Application of revised accounting standards

The following amendments to standards, effective for annual periods beginning on or after January 1, 2020, have been applied in preparing these consolidated financial statements:

- Conceptual Framework for Financial Reporting
- IAS 1, *Presentation of Financial Statements*
- IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*
- IFRS 3, *Business Combinations*

The amendments to these standards had no material impact on the consolidated financial statements.

4. Significant 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.

In addition to the Crown corporations listed below, the Corporation also consolidates the following wholly-owned share capital subsidiaries: CIC Asset Management Inc.; First Nations and Métis Fund Inc. (FNMF); CIC Economic Holdco Ltd.; and Saskatchewan Immigrant Investor Fund Inc. (SIIF), all of which are domiciled in Canada. CIC Economic Holdco Ltd. was dissolved on January 22, 2021. On April 1, 2021, FNMF, SIIF and CIC Asset Management Inc. amalgamated. All assets, liabilities and obligations were amalgamated and the entity will operate as CIC Asset Management Inc.

4. Significant accounting policies *(continued)*

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**
SaskEnergy Incorporated (SaskEnergy)	Natural gas storage and delivery
Saskatchewan Gaming Corporation (SGC)	Entertainment
Saskatchewan Government Insurance (SGI CANADA)	Property and casualty insurance
Saskatchewan Opportunities Corporation (SOCO)	Research parks
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Information and communications technology
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management

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.

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 Billiton SaskPower International Carbon Capture and Storage (CCS) Knowledge Centre. 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 March 31, 2022.

4. Significant accounting policies *(continued)*

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 a maturity date of ninety days or less. The Corporation classifies cash and cash equivalents as financial instruments at fair value through profit or loss.

c) Inventories

Inventories 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.

d) 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 other 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 on the Consolidated Statement of Financial Position. 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 10 years.

4. Significant accounting policies *(continued)*

e) 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.

f) 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	15 - 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.

g) Intangible assets

Finite-life intangibles

Finite-life intangible assets, acquired individually, with a group of other assets, or through the Corporation’s authorized dealers 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.

4. Significant accounting policies *(continued)*

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 1 to 10 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.

h) Investment property

Properties held for rental purposes are classified as investment properties and are measured at cost less accumulated amortization and impairment losses. Amortization is recorded on investment property on the straight-line basis over the estimated life of each asset as follows:

Buildings	20 - 80 years
Infrastructure	25 - 60 years
Leasehold improvements	Lease term

Depreciation commences when the asset is ready for its intended use. The useful life and depreciation method are reviewed periodically to ensure consistency with the expected pattern of economic benefits from these assets.

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.

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 8).

4. Significant accounting policies *(continued)*

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, restricted cash and cash equivalents, certain investments, and bank indebtedness as financial instruments at fair value through profit or loss. Financial instruments classified as fair value through profit or loss 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.

iii) Financial instruments at fair value through other comprehensive income

The Corporation classifies sinking funds as fair value through other comprehensive income. Financial instruments classified as fair value through other comprehensive income 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.

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 the Consolidated Statement of Comprehensive Income 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 8(f)(iii)).

4. Significant accounting policies *(continued)*

Derivative instruments

The Corporation utilizes a variety of derivative instruments to manage its exposure to interest rate, electricity 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. The Corporation formally assesses both at the hedge's inception and on an ongoing basis, 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 loss 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 8, 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 8(b).

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.

4. Significant accounting policies *(continued)*

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 with the scope of IFRS 9, an embedded derivative is treated as separate derivative when the economic characteristics and risks are not clearly and closely related to those of the host instrument, when 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 debt instruments designated as fair value through other comprehensive income (FVOCI). The Corporation measures loss allowances for accounts receivables 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 between 30-120 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.

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 (OCI). The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

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.

4. Significant accounting policies *(continued)*

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.

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.

4. Significant accounting policies *(continued)*

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.

Unpaid insurance claims

The provision for unpaid claims represents an estimate of the total cost of outstanding claims. The estimate includes the cost of reported claims, claims incurred but not reported, an estimate of adjustment expenses to be incurred on these claims and a provision for adverse deviation in accordance with Canadian Institute of Actuaries' Standards. The estimates are necessarily subject to uncertainty and are selected from a range of possible outcomes. During the life of the claim, adjustments to the estimates are made as additional information becomes available. The change in outstanding losses plus paid losses is reported as claims incurred in the current period and is included in net earnings.

l) Revenue

Natural gas sales and delivery

Revenue from natural gas sales contracts with customers is recognized when the Corporation delivers natural gas to customers, who consume the natural gas to heat their homes or operate their businesses. Title to natural gas purchased from the Corporation, and all related risks, remain with the Corporation until the gas is transferred at a meter point. At the meter point, the customer takes ownership of the natural gas and the performance obligation is satisfied. The commodity charge is then billable to the customer as there are no future performance obligations outstanding.

The Corporation has the exclusive right to distribute natural gas within the province of Saskatchewan. 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. 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.

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.

4. Significant accounting policies *(continued)*

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.

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.

4. Significant accounting policies *(continued)*

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.

Property and casualty insurance

The Corporation's property and casualty insurance policies have all been classified upon inception as insurance contracts. 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 premiums written and are recorded in revenue over the terms of the related policies, no longer than twelve months. The portion of the policy premiums relating to the unexpired term of each policy is recorded as an unearned insurance premium (Note 17).

At the end of each period, a liability adequacy test is performed to validate the adequacy of unearned insurance premiums and deferred policy acquisition costs (included in prepaid expenses on the Consolidated Statement of Financial Position). A premium deficiency would exist if unearned insurance premiums are deemed insufficient to cover the estimated future costs associated with the unexpired portion of written insurance policies. A premium deficiency would be recognized immediately as a reduction of prepaid expenses to the extent that unearned insurance premiums plus anticipated finance income is not considered adequate to cover all deferred policy acquisition costs and related insurance claims and expenses. If the premium deficiency is greater than the unamortized deferred policy acquisition costs, an unearned insurance premium liability is accrued for the excess deficiency.

4. Significant accounting policies *(continued)*

Gaming

Gaming revenue (table and slot revenues) represents the net win from gaming activities, which is the difference between the amounts wagered and the payouts by the casino. Gaming revenues are net of accruals for anticipated payouts of progressive jackpots.

The Corporation's Gaming segment suspended operations on March 16, 2020 due to the COVID-19 pandemic. Under the Re-open Saskatchewan Plan, Casinos Regina and Moose Jaw reopened on July 9, 2020. The casinos operated following the public health guidelines and restrictions until December 19, 2020, when public health advice again required the closure of Casinos Regina and Moose Jaw. On June 20, 2021, the casinos reopened with capacity restricted to 150 people at each property. As of the date of these financial statements, it is unknown when capacity levels will be increased. The Corporation has $56.2 million in available financing through the GRF to sustain gaming operations during the pandemic.

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.

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.

4. Significant accounting policies *(continued)*

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, a defined contribution pension plan, and other plans that provide post-retirement benefits for its employees.

Defined contribution pension plan

A defined contribution plan is a post-employment benefit under which the Corporation pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to the defined contribution pension plan are recognized as an employee future benefit expense in net earnings in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

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 a qualified actuary 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.

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.

4. Significant accounting policies *(continued)*

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 a qualified actuary 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) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided.

q) 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, and interest income from defined benefit pension plans.

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, and amounts amortized to net earnings from accumulated other comprehensive loss. 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, dividends received are classified as an investing activity and dividends paid are classified as a financing activity.

r) 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.

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 13 and 19).

4. Significant accounting policies *(continued)*

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 the Consolidated Statement of Comprehensive Income if the carrying amount of the right-of-use asset has been reduced to zero (Notes 13 and 19).

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.

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, 2021.

IFRS 17, *Insurance Contracts*

IFRS 17, *Insurance Contracts* was issued in May 2017 and will replace IFRS 4. The intent of the standard is to establish consistent recognition, measurement, presentation and disclosure principles to provide relevant and comparable reporting of insurance contracts across jurisdictions.

The standard requires entities to measure insurance contract liabilities as the risk-adjusted present value of the cash flows plus the contractual service margin, which represents the unearned profit the entity will recognize as future service is provided. This is referred to as the general model. Expedients are specified, provided the insurance contracts meet certain conditions. If, at initial recognition or subsequently, the contractual service margin becomes negative, the contract is considered onerous and the excess is recognized immediately in net earnings. The standard also includes significant changes to the presentation and disclosure of insurance contracts within entities' financial statements.

IFRS 17 applies to annual periods beginning on or after January 1, 2023. The standard is to be applied retrospectively unless impracticable, in which case a modified retrospective approach or fair value approach is to be used for transition. The standard represents a comprehensive IFRS accounting model for insurance contracts and is expected to have a significant impact on financial reporting on the Corporation's property and casualty insurance segment. The Corporation is evaluating the impact this standard will have on the consolidated financial statements.

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 Her 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.

6. Cash and cash equivalents

(thousands of dollars)

		2021		2020
Cash	**$**	**307,756**	$	314,355
Short-term investments		**26,984**		84,953
	$	**334,740**	$	399,308

The weighted average interest rate for short-term investments included in cash and cash equivalents at March 31, 2021 was 0.2 per cent (2020 - 1.5 per cent).

7. Investments

(thousands of dollars)

		2021		2020
Short-term investments				
Short-term investments - at fair value through profit or loss	**$**	**129,604**	$	127,935
Loans receivable - amortized cost		**658**		1,853
Bonds and debentures - amortized cost		**6,058**		46,723
Sinking funds - at fair value through other comprehensive income (a)		**-**		134,894
	$	**136,320**	$	311,405
Portfolio investments				
Portfolio investments - at fair value through profit or loss	**$**	**481,420**	$	377,497
Bonds, debentures and loans receivable				
Bonds and debentures - at fair value through profit or loss		**339,595**		577,268
Bonds and debentures - amortized cost		**-**		6,024
Loans receivable - amortized cost		**9,810**		8,593
		349,405		591,885
Sinking funds - at fair value through other comprehensive income (a)		**1,103,952**		1,063,418
	$	**1,934,777**	$	2,032,800
Securities lending program (b)				
Short-term investments				
Short-term investments - at fair value through profit or loss	**$**	**140,140**	$	-
Portfolio investments				
Portfolio investments - at fair value through profit or loss	**$**	**5,623**	$	-
Bonds and debentures				
Bonds and debentures - at fair value through profit or loss		**194,149**		-
	$	**199,772**	$	-

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7. Investments *(continued)*

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

	2021	2020
Sinking funds, beginning of year	**$ 1,198,312**	$ 1,064,831
Sinking fund installments	**92,912**	86,133
Earnings	**38,557**	33,256
Redemptions	**(188,352)**	(10,212)
Unrealized (losses) gains	**(37,477)**	24,304
Sinking funds, end of year	**1,103,952**	1,198,312
Less current portion	**-**	(134,894)
	$ 1,103,952	$ 1,063,418

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

2022	$ 92,316
2023	89,916
2024	87,332
2025	86,832
2026	85,315

b) Through its custodian, the Corporation participates in an investment securities lending program for the purpose of generating fee income. While in the possession of counterparties, the loaned securities may be resold or repledged by such counterparties. At March 31, 2021, the Corporation held collateral of $356.9 million (2020 - $Nil) for the loaned securities.

8. 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.

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

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)		**2021**		2020	
Financial Instruments	**Classification**	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	FVTPL	**$ 334,740**	**$ 334,740**	$ 399,308	$ 399,308
Accounts receivable	AC	**1,077,345**	**1,077,345**	1,033,040	1,033,040
Derivative financial assets	FVTPL	**24,140**	**24,140**	22,102	22,102
Restricted cash and cash equivalents	FVTPL	**4,508**	**4,508**	4,567	4,567
Investments - fair value	FVTPL	**1,290,531**	**1,290,531**	1,082,700	1,082,700
Investments - sinking funds	FVOCI	**1,103,952**	**1,103,952**	1,198,312	1,198,312
Investments - amortized cost	AC	**16,526**	**16,497**	63,193	63,163
Financial Liabilities					
Bank indebtedness	FVTPL	**408**	**408**	-	-
Trade and other payables	AC	**995,680**	**995,680**	892,964	892,964
Derivative financial liabilities	FVTPL	**63,188**	**63,188**	105,373	105,373
Notes payable	AC	**814,004**	**814,004**	1,449,573	1,449,573
Long-term debt	AC	**9,440,702**	**10,595,738**	8,892,633	10,283,692

		2021		2020	
Derivative Instruments	Classification	**Asset**	**(Liability)**	Asset	(Liability)
Physical natural gas contracts	FVTPL	**$ 17,994**	**$ (8,137)**	$ 14,719	$ (21,808)
Natural gas price swaps	FVTPL	**6,146**	**(55,051)**	4,106	(83,565)
Physical electricity forwards	FVTPL	**-**	**-**	3,277	-
		$ 24,140	**$ (63,188)**	$ 22,102	$ (105,373)

Classification details are:

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

8. 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):

		2021		
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 334,740**	**$ -**	**$ -**	**$ 334,740**
Restricted cash and cash equivalents	**4,508**	**-**	**-**	**4,508**
Notes payable	**814,004**	**-**	**-**	**814,004**
Investments - FVTPL	**281,194**	**803,174**	**206,163**	**1,290,531**
Investments - FVOCI	**-**	**1,103,952**	**-**	**1,103,952**
Investments - AC	**-**	**16,497**	**-**	**16,497**
Long-term debt	**-**	**10,595,738**	**-**	**10,595,738**
Physical natural gas contracts - net	**-**	**9,857**	**-**	**9,857**
Natural gas price swaps - net	**-**	**(48,905)**	**-**	**(48,905)**

		2020		
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 399,308	$ -	$ -	$ 399,308
Restricted cash and cash equivalents	4,567	-	-	4,567
Notes payable	1,449,573	-	-	1,449,573
Investments - FVTPL	182,047	705,020	195,633	1,082,700
Investments - FVOCI	-	1,198,312	-	1,198,312
Investments - AC	-	63,163	-	63,163
Long-term debt	-	10,283,692	-	10,283,692
Physical natural gas contracts - net	-	(7,089)	-	(7,089)
Natural gas price swaps - net	-	(79,459)	-	(79,459)
Physical electricity forwards - net	-	3,277	-	3,277

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

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

		2021		2020
Balance, beginning of year	**$**	**195,633**	$	176,723
Unrealized (losses) gains attributable to assets held at the end of the year included in impairment losses		**(1,488)**		2,476
Purchases		**21,220**		32,444
Sales		**(9,202)**		(16,010)
Balance, end of year	**$**	**206,163**	$	195,633

During the year, no investments were transferred between levels.

Investments carried at fair value through profit or loss

i) Categorized as level 2

Investments carried at fair value through profit and loss and 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.

8. 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.

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

b) Unrealized gains (losses) 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 (losses) on net earnings is as follows (thousands of dollars):

		2021		2020
Revenue	$	(3,002)	$	(594)
Operating expenses		20,458		(31,044)
Increase (decrease) in net earnings	**$**	**17,456**	$	(31,638)

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 power purchase agreements that have a cost component based on the market price of natural gas. As at March 31, 2021, 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:

2022	49.0%	2026	24.0%
2023	41.0%	2027	13.0%
2024	38.0%	2028	5.0%
2025	34.0%	2029	2.0%

As at March 31, 2021, the Corporation held the following instruments to hedge exposures to changes in natural gas price risk:

		1 year		1-5 years		More than 5 years
Natural gas hedges						
Net exposure – (loss) (millions)	$	(11.0)	$	(37.0)	$	(1.0)
Total outstanding gigajoules (GJ) (millions)		13.0		33.0		2.0
Weighted average hedged price per GJ	$	3.45	$	3.41	$	2.62
Weighted average forward market price per GJ	$	2.57	$	2.26	$	2.37

Based on the Corporation's March 31, 2021 closing positions on its financial natural gas hedges, a $1 per GJ increase in the price of natural gas would have resulted in a $46.0 million (2020 - $59.0 million) improvement in unrealized market value adjustments recognized in net earnings in the year. 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, 2021.

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8. 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 $29.0 million (2020 - $43.0 million). Conversely, a $1 per GJ decrease would have decreased net earnings, through a decrease in the fair value of natural gas derivative instruments, by $29.0 million (2020 - $43.0 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, 2021 was $284.2 million (2020 - $185.0 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).

		2021		2020
Asset Class				
(thousands of dollars)				
Canadian equities	**+/-**	**$ 12,444**	+/-	$ 7,458
Global equities	**+/-**	**36,532**	+/-	24,891
Global small cap equities	**+/-**	**11,197**	+/-	4,875

8. 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 1.0 per cent would have a $6.0 million impact on net earnings (2020 - $12.5 million).

The Corporation has on deposit with the GRF, under the administration of the Saskatchewan Ministry of Finance, $1,104.0 million (2020 - $1,198.3 million) in sinking funds required for certain long-term debt issues. At March 31, 2021, the GRF 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, 2021, a change in interest rates of 1.0 per cent would have a $83.3 million impact on net earnings (2020 - $91.6 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 investment interest rates of 1.0 per cent would have a $20.8 million impact on net earnings (2020 - $20.1 million). The impact that a change in interest rates has on investment income would be partially offset by the impact the change in interest rates has on discounting of insurance claims incurred. It is estimated that a change in discounting interest rates of 1.0 per cent would have a $16.6 million impact on net earnings (2020 - $16.1 million).

Foreign currency risk

The Corporation is exposed to currency risk, primarily U.S. dollars, through transactions with foreign suppliers and short-term foreign commitments. The Corporation may use a combination of derivative financial instruments to manage these exposures when deemed appropriate. However, the Corporation has no material financial contracts in place to manage foreign currency risk as of March 31, 2021. A 10.0 per cent change in the Canadian dollar versus the U.S. dollar exchange rate would have a $11.5 million impact on net earnings (2020 - $4.2 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 is 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.

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

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

	2021	2020
Cash and cash equivalents	**$ 334,740**	$ 399,308
Short-term investments	**276,460**	311,405
Accounts receivable	**1,077,345**	1,033,040
Derivative financial assets	**24,140**	22,102
Restricted cash and cash equivalents	**4,508**	4,567
Investments - FVTPL	**1,020,787**	954,765
Investments - FVOCI	**1,103,952**	1,063,418
Investments - AC	**9,810**	14,617
	$ 3,851,742	$ 3,803,222

The allowance for doubtful accounts, 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. Amidst the current economic conditions resulting from the COVID-19 pandemic, the Corporation has implemented additional measures to monitor its counterparties for changes in their ability to meet obligations.

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

	2021	2020
Allowance for doubtful accounts		
Opening balance	**$ 49,990**	$ 37,935
Less: Accounts written off and other	**(17,336)**	(23,860)
Recoveries	**4,545**	4,999
Provision for losses	**34,318**	30,916
Ending balance	**$ 71,517**	$ 49,990

	2021	2020
Accounts receivable		
Current	**$ 992,095**	$ 984,576
30-59 Days	**26,372**	32,943
60-89 Days	**13,243**	11,969
Greater than 90 Days	**117,152**	53,542
Gross accounts receivable	**1,148,862**	1,083,030
Allowance for doubtful accounts	**(71,517)**	(49,990)
Net accounts receivable	**$ 1,077,345**	$ 1,033,040

8. 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, 2021 (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]	**$ 9,440,702**	**$ 16,159,318**	**$ 129,384**	**$ 435,984**	**$ 605,874**	**$ 1,816,729**	**$ 13,171,347**
Trade and other payables	**995,680**	**995,680**	**995,680**	**-**	**-**	**-**	**-**
Derivative financial liabilities[2]	**63,188**	**62,081**	**71,241**	**(3,433)**	**(4,064)**	**(1,663)**	**-**
Other liabilities[3]	**1,501,719**	**1,463,411**	**1,019,846**	**99,958**	**95,428**	**138,598**	**109,581**
	$ 12,001,289	**$ 18,680,490**	**$ 2,216,151**	**$ 532,509**	**$ 697,238**	**$ 1,953,664**	**$ 13,280,928**

The Corporation anticipates generating sufficient cash flows through operations or credit facilities to support these contractual cash flows, despite the COVID-19 pandemic.

The following summarizes the contractual maturities of the Corporation's financial liabilities at March 31, 2020 (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]	$ 8,892,633	$ 15,657,004	$ 318,333	$ 447,275	$ 367,598	$ 1,608,659	$ 12,915,139
Trade and other payables	892,964	892,964	891,813	208	677	266	-
Derivative financial liabilities[2]	105,373	143,583	141,955	4,799	(3,050)	(121)	-
Other liabilities[3]	2,112,892	2,075,071	1,659,806	86,552	87,235	135,016	106,462
	$ 12,003,862	$ 18,768,622	$ 3,011,907	$ 538,834	$ 452,460	$ 1,743,820	$ 13,021,601

[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, 2021 and March 31, 2020, the Corporation has provided no collateral for these contracts.

[3] Other liabilities include: bank indebtedness, notes payable, provision for unpaid insurance claims (Note 18), amounts due to reinsurers (Note 17) and premium taxes payable (Note 17).

8. 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 with regard to past experiences and trends. Exposures are managed by having documented underwriting limits and criteria, product and geographic diversification and reinsurance.

i) Diversification

The Corporation writes property, liability and motor risks over a twelve-month period. The most significant risks arise from weather-related events such as severe storms. The Corporation attempts to mitigate risk by conducting business in a number of provinces across Canada and by offering different lines of insurance products. The concentration of insurance risk by line of business and region is summarized below by reference to the provision for unpaid insurance claim liabilities (Note 18) (thousands of dollars):

	Gross		Reinsurance Recoverable		Net	
	2021	2020	**2021**	2020	**2021**	2020
Automobile	**$ 284,334**	$ 310,702	**$ 6,308**	$ 9,607	**$ 278,026**	$ 301,095
Property	**209,130**	171,089	**12,985**	13,747	**196,145**	157,342
Liability	**97,254**	81,488	**1,880**	925	**95,374**	80,563
Discount	**38,551**	40,987	**870**	2,456	**37,681**	38,531
Assumed	**2,378**	3,176	**-**	-	**2,378**	3,176
Other	**14,826**	3,277	**-**	-	**14,826**	13,277
	$ 646,473	$ 620,719	**$ 22,043**	$ 26,735	**$ 624,430**	$ 593,984

	Gross		Reinsurance Recoverable		Net	
	2021	2020	**2021**	2020	**2021**	2020
Saskatchewan	**$ 292,953**	$ 250,734	**$ 8,956**	$ 13,963	**$ 283,997**	$ 236,771
Alberta	**162,229**	164,165	**4,487**	2,788	**157,742**	161,377
Ontario	**146,519**	166,009	**5,203**	9,776	**141,316**	156,233
British Columbia	**19,854**	20,814	**155**	255	**19,699**	20,559
Manitoba	**23,583**	16,973	**3,242**	(47)	**20,341**	17,020
Maritimes	**1,335**	2,024	**-**	-	**1,335**	2,024
	$ 646,473	$ 620,719	**$ 22,043**	$ 26,735	**$ 624,430**	$ 593,984

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

The concentration of insurance risk by region and line of business is summarized below by reference to gross premiums written (thousands of dollars):

			2021			
		Automobile	**Personal Property**	**Commercial Property**	**Liability**	**Total**
Saskatchewan		**$ 186,598**	**$ 325,015**	**$ 70,591**	**$ 40,845**	**$ 623,049**
Alberta		**99,008**	**69,164**	**13,480**	**10,640**	**192,292**
Ontario		**94,780**	**23,463**	**7,591**	**6,702**	**132,536**
British Columbia		**-**	**59,080**	**8,876**	**3,431**	**71,387**
Manitoba		**-**	**29,814**	**13,936**	**5,609**	**49,359**
		$ 380,386	**$ 506,536**	**$ 114,474**	**$ 67,227**	**$ 1,068,623**

			2020			
		Automobile	Personal Property	Commercial Property	Liability	Total
Saskatchewan		$ 178,460	$ 302,202	$ 61,371	$ 39,484	$ 581,517
Alberta		98,668	64,529	15,086	10,896	189,179
Ontario		99,580	20,514	5,780	5,180	131,054
British Columbia		-	45,462	6,902	3,128	55,492
Manitoba		-	25,151	11,985	4,957	42,093
		$ 376,708	$ 457,858	$ 101,124	$ 63,645	$ 999,335

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):

	2021	2020
Dwelling and farm property	**$ 1,750**	$ 1,500
Unlicensed vehicles	**1,750**	1,500
Commercial property	**1,750**	1,500
Automobile and general liability	**1,750**	1,500

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

In addition, the Corporation carries property and auto physical damage catastrophe reinsurance limiting combined exposure to $20.0 million per event (2020 - $17.5 million) subject to an annual aggregate deductible of $20.0 million (2020 - $17.5 million). While the Corporation utilizes reinsurance, it is still exposed to reinsurance risk, which 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 exposure to significant losses from reinsurer insolvency.

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, 2021, 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, 2021 is $65.4 million (2020 - $66.4 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 the provision for unpaid insurance claims (Note 18) is based on known facts and an interpretation of circumstances and is therefore a complex process influenced by a variety of factors. Measurement of the provision 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.

The significant assumptions used to estimate the provision 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 claim frequency, the effect of inflation on future claim settlement costs, court decisions and economic conditions. Time is also a critical factor in determining the provision, 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 provision for unpaid claims relies on a number of factors, which necessarily involves risk that the actual results may differ materially from the estimates.

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

The following summarizes the Corporation's sensitivity to changes in best estimate assumptions on the provision for unpaid claims and net earnings (thousands of dollars):

Assumption	Sensitivity	Change to Net Provision for Unpaid Claims 2021	2020	Change to Net Earnings 2021	2020
Discount rate	1.0 per cent increase	**$ (16,619)**	$ (16,153)	**$ (3,576)**	$ (3,446)
Discount rate	1.0 per cent decrease	**16,619**	16,153	**3,576**	3,446

The net provision for unpaid insurance claims refers to the provision for unpaid insurance claims net of unpaid insurance claims recoverable from reinsurers. The method used for deriving this sensitivity information did not change from the prior period.

9. Inventories

(thousands of dollars)

	2021	2020
Raw materials	**$ 243,117**	$ 221,538
Natural gas in storage held-for-resale	**21,984**	18,795
Finished goods	**25,861**	14,910
Work-in-progress	**551**	611
	$ 291,513	$ 255,854

For the year ended March 31, 2021, $459.4 million (2020 - $446.9 million) of natural gas in storage held-for-resale, and $445.9 million (2020 - $464.7 million) of raw materials inventory and other inventory were consumed. The Corporation recognized a $7.8 million recovery of natural gas in storage held-for-resale, raw materials and other inventory (2020 - $3.8 million).

10. Contract assets and costs

(thousands of dollars)

Contract assets

		2021		2020
Contract assets, beginning of year	$	**83,889**	$	78,167
Contract assets recognized in the current year		**101,563**		88,767
Amortization of contract assets		**(79,250)**		(76,665)
Contract terminations transferred to trade receivables		**(6,547)**		(5,855)
Impairment		**(692)**		(525)
Contract assets, end of year	**$**	**98,963**	$	83,889
Current		**(66,567)**		(61,548)
Non-current	**$**	**32,396**	$	22,341

Contract costs

		2021		2020
Contract costs, beginning of year	$	**75,084**	$	59,617
Contract costs recognized in the current year		**22,495**		34,269
Amortization of contract costs		**(20,374)**		(18,067)
Terminations		**(871)**		(735)
Contract costs, end of year	**$**	**76,334**	$	75,084
Current		**(19,224)**		(16,735)
Non-current	**$**	**57,110**	$	58,349

11. Investments in equity accounted investees

(thousands of dollars)

Associates and Joint Ventures

			Ownership Interest		Carrying Value	
	Principal Place of Business	Reporting Date	**2021**	2020	**2021**	2020
ISC (a)	Canada	December 31	**31.0%**	31.0%	**$ 108,860**	$ 73,238
Saskatchewan Entrepreneurial Fund Joint Venture (b)	Canada	January 22	**0.0%**	45.5%	**-**	174
					$ 108,860	$ 73,412

	2021	2020
Current assets	**$ 53,485**	$ 40,480
Non-current assets	**411,318**	164,719
Current liabilities	**(25,185)**	(20,811)
Non-current liabilities	**(88,456)**	(31,448)
Net assets	**351,162**	152,940
Interest owned by other entities	**(242,302)**	(79,528)
Share of net assets	**$ 108,860**	$ 73,412

	2021	2020
Revenue	**$ 146,440**	$ 181,632
Expenses	**(123,362)**	(165,488)
Net earnings	**23,078**	16,144
Other comprehensive (loss) income	**(723)**	478
Total comprehensive income	**22,355**	16,622
Interest owned by other entities	**(15,426)**	(11,370)
Share of results	**$ 6,929**	$ 5,252

a) The Corporation is associated with ISC, which provides registry and information services in Saskatchewan. The fair value of ISC shares was $133.4 million at March 31, 2021 (2020 - $78.4 million). The shares are publicly traded under the Toronto Stock Exchange under the symbol ISV.

b) The Saskatchewan Entrepreneurial Fund Joint Venture was dissolved on September 3, 2020.

12. Property, plant and equipment

(thousands of dollars)

	Machinery and Equipment	Buildings and Improvements	Plant Under Construction	Land, Coal Properties and Rights	Finance Leases	Total
Cost						
Balance at April 1, 2019	$ 20,282,346	$ 2,317,702	$ 1,274,315	$ 296,415	$ 1,286,402	**$ 25,457,180**
Additions	1,906,995	226,052	1,178,900	32,456	-	**3,344,403**
Disposals	(188,658)	(6,715)	(11,510)	(2,396)	-	**(209,279)**
IFRS 16 adjustments	20,627	-	-	-	(1,286,402)	**(1,265,775)**
Transfers	-	-	(1,903,719)	-	-	**(1,903,719)**
Balance at March 31, 2020	**$ 22,021,310**	**$ 2,537,039**	**$ 537,986**	**$ 326,475**	**$ -**	**$ 25,422,810**
Additions	830,487	119,196	1,142,192	8,602	-	**2,100,477**
Disposals	(313,504)	(12,819)	(5,370)	(1,591)	-	**(333,284)**
Transfers	(10,968)	-	(944,638)	-	-	**(955,606)**
Balance at March 31, 2021	**$ 22,527,325**	**$ 2,643,416**	**$ 730,170**	**$ 333,486**	**$ -**	**$ 26,234,397**
Accumulated Depreciation						
Balance at April 1, 2019	$ 9,146,154	$ 838,516	$ -	$ 36,977	$ 526,156	**$ 10,547,803**
Depreciation expense	717,633	62,454	-	3,043	-	**783,130**
Disposals	(162,460)	(3,993)	-	(1,471)	-	**(167,924)**
Impairment losses	193	-	-	-	-	**193**
IFRS 16 adjustments	92	-	-	-	(526,156)	**(526,064)**
Balance at March 31, 2020	**$ 9,701,612**	**$ 896,977**	**$ -**	**$ 38,549**	**$ -**	**$ 10,637,138**
Depreciation expense	752,670	68,838	-	3,264	-	**824,772**
Disposals	(253,216)	(8,698)	-	(58)	-	**(261,972)**
Transfers	(4,394)	-	-	-	-	**(4,394)**
Impairment losses	-	241	-	-	-	**241**
Balance at March 31, 2021	**$ 10,196,672**	**$ 957,358**	**$ -**	**$ 41,755**	**$ -**	**$ 11,195,785**
Carrying Amounts						
At March 31, 2020	$ 12,319,698	$ 1,640,062	$ 537,986	$ 287,926	$ -	$ 14,785,672
At March 31, 2021	**$ 12,330,653**	**$ 1,686,058**	**$ 730,170**	**$ 291,731**	**$ -**	**$ 15,038,612**

13. 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, 2019	$ -	$ -	$ -	$ -	**$ -**
IFRS 16 adjustment	24,825	66,917	16,936	1,243,283	**1,351,961**
Additions	7,144	7,637	307	2,035	**17,123**
Retirements and adjustments	(571)	(190)	(1,115)	(228,210)	**(230,086)**
Balance at March 31, 2020	**$ 31,398**	**$ 74,364**	**$ 16,128**	**$ 1,017,108**	**$ 1,138,998**
Additions	8,359	10,702	494	-	**19,555**
Retirements and adjustments	(1,821)	(1,399)	(274)	-	**(3,494)**
Balance at March 31, 2021	**$ 37,936**	**$ 83,667**	**$ 16,348**	**$ 1,017,108**	**$ 1,155,059**
Accumulated Depreciation					
Balance at April 1, 2019	$ -	$ -	$ -	$ -	**$ -**
IFRS 16 adjustment	3,195	3,518	-	519,377	**526,090**
Depreciation expense	6,215	11,190	1,370	51,734	**70,509**
Retirements and adjustments	(488)	(123)	-	(152,140)	**(152,751)**
Balance at March 31, 2020	**$ 8,922**	**$ 14,585**	**$ 1,370**	**$ 418,971**	**$ 443,848**
Depreciation expense	6,457	11,412	1,428	48,035	**67,332**
Retirements and adjustments	(1,555)	(1,024)	(91)	-	**(2,670)**
Balance at March 31, 2021	**$ 13,824**	**$ 24,973**	**$ 2,707**	**$ 467,006**	**$ 508,510**
Carrying Amounts					
At March 31, 2020	**$** 22,476	$ 59,779	$ 14,758	$ 598,137	$ 695,150
At March 31, 2021	**$ 24,112**	**$ 58,694**	**$ 13,641**	**$ 550,102**	**$ 646,549**

CIC CONSOLIDATED

14. Investment property

(thousands of dollars)

	Buildings	Infrastructure	Leasehold Improvements	Property Under Construction	Total
Cost					
Balance at April 1, 2019	$ 189,715	$ 63,976	$ 35,935	$ 2,780	$ **292,406**
Additions	3,364	10	1,003	-	**4,377**
Transfers	-	-	-	(521)	**(521)**
Balance at March 31, 2020	**$ 193,079**	**$ 63,986**	**$ 36,938**	**$ 2,259**	**$ 296,262**
Additions	4,275	214	190	814	**5,493**
Transfers	(121)	-	-	-	**(121)**
Balance at March 31, 2021	**$ 197,233**	**$ 64,200**	**$ 37,128**	**$ 3,073**	**$ 301,634**
Accumulated Depreciation					
Balance at April 1, 2019	$ 79,759	$ 24,844	$ 13,055	$ 725	**$ 118,383**
Depreciation expense	4,948	1,749	1,942	-	**8,639**
Balance at March 31, 2020	**$ 84,707**	**$ 26,593**	**$ 14,997**	**$ 725**	**$ 127,022**
Depreciation expense	5,057	1,751	1,833	-	**8,641**
Impairment recoveries	-	-	-	(34)	**(34)**
Transfers	(121)	-	-	-	**(121)**
Balance at March 31, 2021	**$ 89,643**	**$ 28,344**	**$ 16,830**	**$ 691**	**$ 135,508**
Carrying Amounts					
At March 31, 2020	$ 108,372	$ 37,393	$ 21,941	$ 1,534	$ 169,240
At March 31, 2021	**$ 107,590**	**$ 35,856**	**$ 20,298**	**$ 2,382**	**$ 166,126**

The estimated market value of investment property at March 31, 2021 was $262.0 million (2020 - $271.0 million). The market value is based on internally-generated estimates of cash flows of individual properties using capitalization rates in the range of 6.3 per cent to 10.0 per cent (2020 - 6.3 per cent to 10.0 per cent), applied based on property type and market characteristics, which resulted in an overall weighted average capitalization rate of 7.6 per cent (2020 - 7.6 per cent).

The market estimate is considered level 3 within the fair value hierarchy (Note 8(a)) as the majority of inputs are not based on observable market data.

Amounts recognized within earnings

	2021	2020
Rental income from investment properties	**$ 35,985**	$ 37,975
Direct operating expenses from property that generated rental income during the year	**(19,443)**	(19,179)
Direct operating expenses from property that did not generate rental income during the year	**(11,817)**	(11,265)
	$ 4,725	$ 7,531

15. Intangible assets

(thousands of dollars)

	Goodwill	Development Costs and Software (a)	Indefinite Life (a)	Other	Total
Cost					
Balance at April 1, 2019	$ 5,976	$ 868,767	$ 108,738	$ 1,500	**$ 984,981**
Acquisitions - internally developed	-	7,995	-	-	**7,995**
Disposals	-	(470)	-	(1,500)	**(1,970)**
Impairment losses	(5,976)	-	-	-	**(5,976)**
Acquisitions - other	-	63,089	12,167	-	**75,256**
Balance at March 31, 2020	**$ -**	**$ 939,381**	**$ 120,905**	**$ -**	**$ 1,060,286**
Acquisitions - internally developed	-	8,393	-	-	**8,393**
Disposals	-	(177,710)	-	-	**(177,710)**
Transfers	-	4,454	-	-	**4,454**
Acquisitions - other	-	55,157	-	-	**55,157**
Balance at March 31, 2021	**$ -**	**$ 829,675**	**$ 120,905**	**$ -**	**$ 950,580**
Accumulated Amortization					
Balance at April 1, 2019	$ -	$ 575,283	$ -	$ 1,500	**$ 576,783**
Amortization expense	-	65,329	-	-	**65,329**
Disposals	-	(283)	-	(1,500)	**(1,783)**
Impairment losses	-	4,684	-	-	**4,684**
Balance at March 31, 2020	**$ -**	**$ 645,013**	**$ -**	**$ -**	**$ 645,013**
Amortization expense	-	66,381	-	-	**66,381**
Disposals	-	(176,528)	-	-	**(176,528)**
Transfers	-	1,804	-	-	**1,804**
Balance at March 31, 2021	**$ -**	**$ 536,670**	**$ -**	**$ -**	**$ 536,670**
Carrying Amounts					
At March 31, 2020	$ -	$ 294,368	$ 120,905	$ -	$ 415,273
At March 31, 2021	**$ -**	**$ 293,005**	**$ 120,905**	**$ -**	**$ 413,910**

a) For the purpose of impairment testing, indefinite-life intangible assets (spectrum licenses), a portion of finite-life development costs, and a portion of software are allocated to SaskTel. This is the lowest level within the Corporation at which indefinite-life intangible assets are monitored for internal management purposes, which is not higher than the Corporation's operating segments. The Corporation's CGU impairment tests were based on fair value less costs to sell using comparable companies that are listed on exchanges and are actively traded. Share prices for these companies were used to derive an Enterprise Value (EV) to earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio that was adjusted for a demonstrable control premium associated with these publicly traded share prices. The resulting adjusted ratio using Level 3 fair value hierarchy inputs was then applied to the estimated 2020-21 EBITDA to determine the recoverable amount of the unit. Impairment testing indicated no impairment at March 31, 2021.

16. Notes payable

Notes payable are due to the GRF. These notes are due on demand and have an effective interest rate of 0.2 per cent (2020 - 1.6 per cent).

17. Deferred revenue

(thousands of dollars)

	2021	2020
Unearned insurance premiums	**$ 515,646**	$ 480,153
Premium taxes payable	**8,954**	8,258
Amounts due to reinsurers	**31,880**	34,342
Other	**22,105**	22,872
	$ 578,585	$ 545,625

18. Provisions

(thousands of dollars)

	Decommissioning Provisions (a)	**Environmental Remediation (b)**	**Unpaid Insurance Claims (c) and Note 8(f)**	**Other Provisions**	**Total**
Balance at April 1, 2020	**$ 541,909**	**$ 126,996**	**$ 620,719**	**$ 434**	**$ 1,290,058**
(Recovery of) provision for decommissioning and environmental remediation liabilities	548	(16,032)	-	-	**(15,484)**
Other provisions made	22,872	-	548,671	2,061	**573,604**
Provisions used	(15,685)	(461)	(522,917)	(164)	**(539,227)**
Provisions reversed	(69,586)	-	-	(48)	**(69,634)**
Accretion expense	11,056	-	-	24	**11,080**
Balance at March 31, 2021	**$ 491,114**	**$ 110,503**	**$ 646,473**	**$ 2,307**	**$ 1,250,397**
Current	**-**	**-**	**(279,597)**	**(2,307)**	**(281,904)**
Non-current	**$ 491,114**	**$ 110,503**	**$ 366,876**	**$ -**	**$ 968,493**

18. Provisions *(continued)*

(thousands of dollars)

	Decommissioning Provisions (a)	Environmental Remediation (b)	Insurance Claims (c) and Note 8(f)	Other Provisions	Total
Balance at April 1, 2019	$ 421,343	$ 128,080	$ 603,366	$ 651	$ 1,153,440
Provision for decommissioning and environmental remediation liabilities	1,843	76	-	-	1,919
Other provisions made	125,477	-	550,050	-	675,527
Provisions used	(17,259)	(1,160)	(532,697)	(185)	(551,301)
Provisions reversed	-	-	-	(71)	(71)
Accretion expense	10,505	-	-	39	10,544
Balance at March 31, 2020	$ 541,909	$ 126,996	$ 620,719	$ 434	$ 1,290,058
Current	-	-	(267,134)	(169)	(267,303)
Non-current	$ 541,909	$ 126,996	$ 353,585	$ 265	$ 1,022,755

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 2022 and 2109 for natural gas facilities and 2022 and 2069 for electrical facilities. The undiscounted cash flows required to settle the obligations total $1,018.9 million (2020 - $953.8 million). Risk-free rates between 0.3 per cent and 2.9 per cent were used to calculate the discounted carrying value of the obligation. During the year, the Corporation recorded a $0.5 million increase in the provision (2020 - $1.8 million). No funds have been set aside by the Corporation to settle this liability.

The following summarizes the Corporation's sensitivity to changes in best estimate assumptions on the March 31, 2021 decommissioning provision (thousands of dollars):

	Undiscounted cash flows	Discounted cash flows	Discount rate + 0.5%	Discount rate - 0.5%	Inflation rate + 0.5%	Inflation rate - 0.5%
Decommissioning	**$ 1,018,861**	**$ 491,114**	**$ (24,911)**	**$ 28,384**	**$ 29,847**	**$ (26,305)**

b) Environmental remediation

The following are included in the provision for environmental remediation:

i) The Corporation is committed to undertake necessary environmental clean-up activities on certain properties. The Corporation has accrued $43.4 million (2020 - $59.5 million) to carry out clean-up activities and associated costs related to an indemnity provided by Prince Albert Pulp Company Ltd. (PAPCO) and Her Majesty in Right of the Province of Saskatchewan for environmental liabilities predating 1986 related to the Prince Albert pulp mill site and the ERCO Worldwide chemical plant in Saskatoon. The Corporation is a successor corporation to PAPCO and therefore has recorded the estimated cost of its assumed obligations related to the PAPCO site. The timing to complete this remediation is indeterminable at this time.

18. Provisions *(continued)*

ii) The Corporation has accrued $67.1 million (2020 - $67.5 million) related to estimated environmental remediation for its electrical generation assets and other properties.

c) Unpaid insurance claims

The provision for unpaid insurance claims has been calculated using a discount rate of 1.1 per cent (2020 - 1.5 per cent).

19. Lease liabilities

(thousands of dollars)

	2021	2020
Contractual undiscounted cash flows	**$ 2,268,782**	$ 2,442,428
Less: future finance charges on leases	**(1,207,083)**	(1,354,976)
Discounted lease liabilities	**1,061,699**	1,087,452
Less: current portion of discounted lease liabilities	**(50,674)**	(44,444)
Non-current discounted lease liabilities	**$ 1,011,025**	$ 1,043,008

During the year ended March 31, 2021, the Corporation recognized $151.3 million (2020 - $157.4 million) of interest costs in the Consolidated Statement of Comprehensive Income related to these lease liabilities.

As at March 31, 2021, 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	$ 195,809	$ 745,020	$ 1,327,953
Discounted lease liabilities	50,674	230,351	780,674

20. Long-term debt

(thousands of dollars)

	2021 Principal Outstanding	2021 Effective Interest Rate	2020 Principal Outstanding	2020 Effective Interest Rate
General Revenue Fund (years to maturity)				
1-5 years	**$ 1,329,020**	**5.6%**	$ 1,091,689	8.1%
6-10 years	**570,559**	**3.1%**	633,259	5.2%
11-15 years	**864,807**	**5.9%**	669,000	6.0%
16-20 years	**1,316,123**	**4.6%**	780,612	4.8%
21-25 years	**2,000,000**	**3.6%**	1,440,318	4.0%
26-30 years	**2,350,000**	**3.1%**	2,875,000	3.4%
Beyond 30 years	**925,000**	**3.2%**	1,350,000	3.2%
Total due to the GRF	**9,355,509**	**4.0%**	8,839,878	4.5%
Other long-term debt (due 2042 to 2046)	**4,816**	**13.5%**	7,826	8.9%
Unamortized debt premium net of issue costs	**80,377**		44,929	
	9,440,702		8,892,633	
Due within one year	**(243,900)**		(441,246)	
Total long-term debt	**$ 9,196,802**		$ 8,451,387	

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

2022	$ 243,900
2023	256,320
2024	152,100
2025	350,000
2026	326,700

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.

21. Contract liabilities

(thousands of dollars)

		2021		2020
Contract liabilities, beginning of year	**$**	**269,872**	$	277,969
Contract liabilities recognized in the current year		**382,080**		384,709
Recognized in revenue		**(391,068)**		(382,168)
Other		**(11,222)**		(10,638)
Contract costs, end of year	**$**	**249,662**	$	269,872
Current		**(84,757)**		(99,922)
Non-current	**$**	**164,905**	$	169,950

22. 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:

	2021	2020
Discount rate - end of year	**2.9-3.1%**	3.6-3.7%
Inflation rate	**2.0-2.3%**	2.0-2.3%
Duration (years)	**10-11**	10-11
Post-retirement index	**0.0-1.6% and 70.0% of CPI**	0.0-1.6% and 70.0% of CPI
Last actuarial valuation	**12/31/19-3/31/2020**	12/31/16-9/30/17

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

22. 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, 2021 defined benefit pension obligation from a change in an actuarial assumption while holding other assumptions constant (thousands of dollars):

	SaskTel		SGI CANADA		SaskPower	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1.0 per cent)	$ (98,411)	$ 117,696	$ (2,339)	$ 2,770	$ (84,018)	$ 99,972
Inflation rate (1.0 per cent)	(57,180)	(11,314)	N/A[1]	N/A[1]	(30,352)	32,424
Post-retirement index (1.0 per cent)	45,476[2]	(111,544)	453	N/A[1]	92,769	(79,615)
Mortality (1 year)	N/A[1]	N/A[1]	N/A[1]	N/A[1]	(27,823)	29,204

[1] Impact to the March 31, 2021 defined benefit pension obligation from a change in assumption is not considered significant.
[2] Amount reflects a 0.4 per cent increase to the post-retirement index as this is the maximum increase allowed under the Plan.

22. Employee future benefits *(continued)*

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

	2021	2020
Defined benefit pension plan obligation, beginning of year	**$ 1,778,310**	$ 1,948,196
Included in net earnings:		
Current service cost	**459**	400
Interest cost	**63,182**	59,352
	63,641	59,752
Included in OCI:		
Actuarial losses (gains) arising from:		
Financial assumptions	**131,629**	(98,566)
Experience adjustments	**(2,146)**	-
	129,483	(98,566)
Benefits paid	**(127,293)**	(131,072)
Defined benefit pension plan obligation, end of year	**$ 1,844,141**	$ 1,778,310
Fair value of defined benefit pension plan assets, beginning of year	**$ 1,614,355**	$ 1,778,061
Included in net earnings:		
Interest income	**57,825**	54,003
Included in OCI:		
Return (loss) on plan assets excluding interest income	**152,066**	(67,345)
Asset ceiling adjustment	**(14,787)**	(19,293)
	137,279	(86,638)
Employee funding contributions	**2**	1
Benefits paid	**(127,293)**	(131,072)
	(127,291)	(131,071)
Fair value of defined benefit pension plan assets, end of year	**$ 1,682,168**	$ 1,614,355
Funded status - plan deficit and net defined benefit pension obligation	**$ 161,973**	$ 163,955

22. Employee future benefits *(continued)*

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

	2021	2020
Asset category		
Short-term investments	**0.0-5.0%**	0.0-2.0%
Bonds and debentures	**36.9-74.0%**	40.3-69.0%
Equity securities - Canadian	**8.5-9.0%**	0.0-11.0%
Equity securities - US	**6.0-21.1%**	0.0-10.9%
Equity securities – Non-North American	**6.0-22.8%**	9.0-50.5%
Real estate	**0.0-15.7%**	0.0-17.4%

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):

	2021	2020
Other defined benefit pension plan obligation, beginning of year	**$ 77,695**	$ 79,795
Included in net earnings:		
Current service cost	**2,688**	5,834
Interest cost	**5,363**	5,996
	8,051	11,830
Included in OCI:		
Actuarial loss (gain) arising from:		
Financial assumptions	**1,220**	33
Experience adjustments	**979**	(652)
	2,199	(619)
Benefits paid	**(10,760)**	(13,311)
Other defined benefit plan obligation, end of year	**$ 77,185**	$ 77,695

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22. Employee future benefits *(continued)*

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

	2021	2020
Discount rate	**1.1-2.8%**	2.3-3.6%
Inflation rate	**0.0-2.3%**	0.0-2.3%
Long-term rate of compensation increases	**2.0-3.0%**	2.0-3.0%
Remaining service life (years)	**3-12**	3-12
Last actuarial valuation	**9/30/2019-3/31/2021**	12/31/16-12/31/19

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, 2021 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, 2021, these liabilities totaled $239.2 million (2020 - $241.7 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 $65.7 million (2020 - $63.7 million) into these plans.

Employee future benefits expense

Employee future benefits expense on the Consolidated Statement of Comprehensive Income 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 totaled $68.9 million (2020 - $69.9 million).

23. 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 is as follows (thousands of dollars):

	Note	**2021**	2020
Total debt (a)		**$ 10,254,706**	$ 10,342,206
Less: Sinking funds	7(a)	**(1,103,952)**	(1,198,312)
Net debt		**9,150,754**	9,143,894
Equity		**6,230,654**	5,814,512
Capitalization		**$ 15,381,408**	$ 14,958,406
Debt ratio		**59.5%**	61.1%

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

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24. Accumulated other comprehensive income

(thousands of dollars)

	2021	2020
Items that may be subsequently reclassified to net earnings:		
Unrealized (losses) gains on sinking funds	**$ (4,496)**	$ 32,981
Unrealized losses on cash flow hedges	**(1,204)**	(13,346)
Realized losses on cash flow hedges	**(10,777)**	(11,236)
	(16,477)	8,399
Items that will not be reclassified to net earnings:		
Impact of defined benefit plan actuarial assumption changes and asset ceiling	**137,795**	132,198
	$ 121,318	$ 140,597

25. Commitments and contingencies

The following significant commitments and contingencies exist at March 31, 2021:

a) At 2021 prices, the Corporation has forward commitments of $1,084.7 million (2020 - $1,287.2 million) extending until 2030 for future minimum coal deliveries.

b) As at March 31, 2021, the Corporation has committed to spend $1,253.5 million (2020 - $1,407.7 million) on capital projects.

c) The Corporation has issued letters of credit in the amount of $22.7 million (2020 - $20.4 million).

d) The Corporation has entered into contracts to purchase natural gas, transportation and storage expected to cost $366.3 million (2020 - $494.8 million) based on forward market prices until 2029. This includes fixed price forward contracts with a notional value of $358.2 million (2020 - $484.1 million) which apply for the own-use scope exception.

e) The Corporation has entered into PPAs that provide over 1,600 MW of generating capacity. The payments related to these PPAs are expected to be $11,989.3 million (2020 - $8,117.6 million) until 2048, which includes lease liabilities of $2,160.5 million (2020 - $2,332.0 million).

f) During the year, the Corporation entered into commodity contracts for the physical purchase of natural gas that qualify as own-use contracts. As at March 31, 2021, own-use natural gas derivative instruments had the following notional values and maturities for the next five fiscal years (millions of dollars):

2022	$ 73.0
2022	70.8
2024	70.5
2025	85.5
2026	88.6

25. Commitments and contingencies *(continued)*

g) The Corporation has outstanding service contract commitments of $180.0 million (2020 - $231.9 million).

h) Subject to certain conditions, the Corporation has agreed to make annual payments of $2.6 million to the Regina Exhibition Association until 2027 and $0.4 million to the Moose Jaw Exhibition Company Ltd. until 2028, as compensation for the loss of gaming income caused by the operation of Casino Regina and Casino Moose Jaw respectively.

i) 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.

26. Revenue and other income

(thousands of dollars)

	2021	2020
Utilities[1]	**$ 4,968,056**	$ 4,949,216
Insurance	**1,033,130**	963,300
Investment and economic growth	**37,332**	40,450
Entertainment	**30,898**	114,077
Other and consolidation adjustments	**(143,879)**	(136,886)
	$ 5,925,537	$ 5,930,157

[1] Utilities revenue primarily consists of revenue from contracts with customers. These contracts include wireless, internet, television, telephone, electricity, water, and natural gas contracts.

27. Depreciation and amortization

(thousands of dollars)

	Note	**2021**	2020
Property, plant and equipment	12	**$ 824,772**	$ 783,130
Right-of-use assets	13	**67,332**	70,509
Investment property	14	**8,641**	8,639
Intangible assets	15	**66,381**	65,329
		$ 967,126	$ 927,607

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28. Impairment (recoveries) losses

(thousands of dollars)

	Note		2021		2020
Impairment (recoveries) losses on investments		$	(34,135)	$	11,816
Impairment losses on property, plant and equipment	12		241		193
Impairment recoveries on investment property	14		(34)		-
Impairment losses on intangible assets	15		-		10,660
		$	(33,928)	$	22,669

29. Saskatchewan taxes and fees

(thousands of dollars)

		2021		2020
Saskatchewan capital tax	$	82,562	$	81,168
Grants in lieu of taxes to municipalities		40,229		39,855
Insurance premium tax		29,374		27,548
Gaming fees		-		20,080
Other		7,298		6,703
	$	159,463	$	175,354

30. Finance income and expenses

(thousands of dollars)

	Note		2021		2020
Sinking fund earnings	7(a)	$	38,557	$	33,256
Gain on sale of investments at fair value through profit or loss			14,750		14,597
Change in fair value of financial assets at fair value through profit or loss			72,913		(28,595)
Interest and other income from investments at fair value through profit or loss			14,359		19,918
Interest and other income from investments at amortized cost			6,555		8,984
Interest income from defined benefit pension plans	22		57,825		54,003
Other			32,423		25,139
Finance income			237,382		127,302
Interest expense on financial liabilities measured at amortized cost			558,834		584,009
Accretion expense on provisions	18		11,080		10,544
Interest cost on defined benefit pension plans	22		63,182		59,352
Interest cost on other defined benefit plans	22		5,363		5,996
Interest capitalized[1]			(17,166)		(33,292)
Other			(2,140)		1,683
Finance expenses			619,153		628,292
Net finance expenses		$	381,771	$	500,990

[1] The weighted average interest rate used to capitalize interest was 3.4 per cent at March 31, 2021 (2020 - 4.1 per cent).

31. Consolidated statement of cash flows

a) Adjustments to reconcile net earnings to cash from operating activities

(thousands of dollars)

	Note	2021	2020
Adjustments to reconcile net earnings to cash from operating activities			
Depreciation and amortization	27	**$ 967,126**	$ 927,607
Share of net earnings from equity accounted investees	11	**(6,929)**	(5,252)
Defined benefit plan current service costs	22	**3,147**	6,234
(Recovery of) provision for decommissioning and environmental remediation liabilities	18	**(15,484)**	1,919
Unrealized (gains) losses on derivative financial instruments	8(b)	**(17,456)**	31,638
Inventory recoveries	9	**(7,782)**	(3,800)
Loss on disposal of property, plant and equipment		**35,012**	47,146
Impairment (recoveries) losses	28	**(33,928)**	22,669
Net finance expenses	30	**381,771**	500,990
Reclassification of natural gas hedge transitional market value losses		**(18,413)**	(29,857)
Other non-cash items		**64,879**	18,180
		$1,351,943	$ 1,517,474

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31. Consolidated statement of cash flows *(continued)*

b) Reconciliation of changes in liabilities to cash flows arising from financing activities

(thousands of dollars)

	Sinking funds	Notes payable	Long-term debt	Lease liabilities	Other	Total
Balance as of April 1, 2019	**$ 1,064,831**	**$ (1,470,186)**	**$ (8,325,089)**	**$ (1,206,114)**	**$ (35,988)**	**$ (9,972,546)**
Changes from financing cash flows:						
Decrease in notes payable	-	20,613	-	-	-	**20,613**
Decrease in other liabilities	-	-	-	96,221	2,263	**98,484**
Principal repayments of lease liabilities	-	-	-	37,926	-	**37,926**
Debt proceeds from the GRF	-	-	(671,340)	-	-	**(671,340)**
Debt repayments to the GRF	-	-	42,593	-	-	**42,593**
Debt proceeds from other lenders	-	-	(42,209)	-	-	**(42,209)**
Debt repayments to other lenders	-	-	110,053	-	-	**110,053**
Sinking fund installments	86,133	-	-	-	-	**86,133**
Sinking fund redemptions	(10,212)	-	-	-	-	**(10,212)**
Total changes from financing cash flows	**$ 75,921**	**$ 20,613**	**$ (560,903)**	**$ 134,147**	**$ 2,263**	**$ (327,959)**
Other changes:						
Unrealized losses on sinking funds	24,304	-	-	-	-	**24,304**
Sinking fund earnings	33,256	-	-	-	-	**33,256**
Capitalized borrowing costs	-	-	25,442	-	-	**25,442**
Other	-	-	(32,083)	(15,485)	(2,073)	**(49,641)**
Total other changes	**$ 57,560**	**$ -**	**$ (6,641)**	**$ (15,485)**	**$ (2,073)**	**$ 33,361**
Balance as of March 31, 2020	**$ 1,198,312**	**$ (1,449,573)**	**$ (8,892,633)**	**$ (1,087,452)**	**$ (35,798)**	**$ (10,267,144)**
Changes from financing cash flows:						
Decrease in notes payable	-	635,557	-	-	-	**635,557**
Increase in other liabilities	-	-	-	(5,193)	(1,170)	**(6,363)**
Debt proceeds from the GRF	-	-	(996,362)	-	-	**(996,362)**
Debt repayments to the GRF	-	-	439,369	-	-	**439,369**
Debt proceeds from other lenders	-	-	-	-	-	**-**
Debt repayments to other lenders	-	-	3,048	-	-	**3,048**
Principal repayments of lease liabilities	-	-	-	44,569	-	**44,569**
Sinking fund installments	92,912	-	-	-	-	**92,912**
Sinking fund redemptions	(188,352)	-	-	-	-	**(188,352)**
Total changes from financing cash flows	**$ (95,440)**	**$ 635,557**	**$ (553,945)**	**$ 39,376**	**$ (1,170)**	**$ 24,378**
Other changes:						
Unrealized gains on sinking funds	(37,477)	-	-	-	-	**(37,477)**
Sinking fund earnings	38,557	-	-	-	-	**38,557**
Capitalized borrowing costs	-	-	10,180	(2,856)	-	**7,324**
Other	-	12	(4,304)	(10,767)	(1,780)	**(16,839)**
Total other changes	**$ 1,080**	**$ 12**	**$ 5,876**	**$ (13,623)**	**$ (1,780)**	**$ (8,436)**
Balance as of March 31, 2021	**$ 1,103,952**	**$ (814,004)**	**$ (9,440,702)**	**$ (1,061,699)**	**$ (38,748)**	**$ (10,251,201)**

32. 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):

		2021		2020
Salaries, wages and short-term employee benefits	**$**	**20,116**	$	20,533
Employee future benefits		**1,135**		952
Termination benefits		**881**		53
Other		**9**		7
	$	**22,141**	$	21,545

33. Comparative information

Certain of the March 31, 2020 information has been reclassified to conform to the current year's presentation.

CIC Separate

SaskGaming

In 2020-21, SaskGaming updated the east end and Central Hall areas of Casino Regina, while supporting the local sub-trades and construction industry throughout the COVID-19 pandemic. The renovation of Casino Regina, and eventual renovation of Casino Moose Jaw, is part of a multi-year facilities plan and reflects SaskGaming's commitment to offering an outstanding guest experience.

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 2020-21 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 2020-21 Results with 2019-20 Results

Earnings

Earnings (millions of dollars)	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
Dividend revenue from subsidiary corporations	**$ 284.5**	$ 230.2	$ 243.1	$ 233.5	$ 157.4
Add: Finance and other revenue	**0.3**	0.9	2.8	1.4	1.4
Less: Operating, salaries and other expenses	**(10.9)**	(11.6)	(10.9)	(11.5)	(12.8)
Grants (provided to) repaid by subsidiary corporations	**(1.5)**	(7.0)	0.3	(10.3)	(13.9)
Total Separate Earnings	**$ 272.4**	$ 212.5	$ 235.3	$ 213.1	$ 132.1

Net earnings for 2020-21 were $272.4 million, an increase of $59.9 million from the same period in 2019-20. The increase in earnings is primarily due to an increase in dividend revenue from subsidiary corporations of $54.3 million and a decrease in grant funding to subsidiary corporations of $5.5 million. A more detailed discussion of 2020-21 compared to 2019-20 financial results is included on the following pages.

Dividend Revenue

$272.4 MILLION
Net earnings
increase of $59.9 million

CIC's revenue is comprised of dividends from subsidiary Crown corporations and revenue from investments. Dividends from subsidiary Crown corporations are the primary determinant in CIC's ability to pay regular 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 and global pandemics. 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 other insurance claims at Saskatchewan Government Insurance (SGI CANADA) are impacted by winter driving conditions and the summer storm season. Competition and investment results 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.
- Environmental regulations on power generating sources impact earnings at SaskPower.
- Competition, technology and regulatory changes impact earnings at SaskTel.
- Economic conditions and business impacts caused by the COVID-19 pandemic at all Crowns (temporary closures of the Regina and Moose Jaw casinos at the Saskatchewan Gaming Corporation (SGC) and fewer claims incurred at SGI CANADA) which impacts earnings and cash flow.

Comparison of 2020-21 Results with 2019-20 Results *(continued)*

Dividend Revenue *(continued)*

The dividend is calculated in accordance with CIC's dividend policy and typically based on a percentage of earnings from operations; however, various factors may lead to an amount being set on an alternate basis. Operating earnings excludes any non-cash fair market value adjustments on items such as financial instruments 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)	**2020-21**	**2019-20**	**2018-19**	**2017-18**	**2016-17**
SaskTel	**$ 117.7**	$ 107.8	$ 114.7	$ 108.9	$ 30.0
SGI CANADA	**87.0**	54.2	12.5	35.8	43.0
SaskPower	**48.1**	20.6	19.7	-	-
SaskEnergy	**20.5**	23.1	60.0	38.8	28.9
SaskWater	**6.3**	4.2	3.7	2.0	1.7
ISC	**4.3**	4.3	4.3	4.3	4.3
SOCO	**0.6**	2.7	3.1	3.1	-
SGC	**-**	13.3	18.0	18.6	29.5
STC	**-**	-	6.1	22.0	-
CIC AMI	**-**	-	1.0	-	20.0
Total Dividend Revenue	**$ 284.5**	$ 230.2	$ 243.1	$ 233.5	$ 157.4

Dividend revenue for 2020-21 increased $54.3 million to $284.5 million from 2019-20. The increase is primarily due to higher dividends from SaskTel, SGI CANADA and SaskPower, partially offset by lower dividends from SGC.

SaskTel's dividend of $117.7 million for 2020-21 increased by $9.9 million from $107.8 million in 2019-20 primarily due to a strong demand for telecommunication services resulting in growth in wireless network and equipment revenue and customer premise equipment sales partially offset by decreased wireline access, long-distance and *maxTV* services revenue.

SGI CANADA's dividend of $87.0 million for 2020-21 increased $32.8 million from the $54.2 million dividend declared in 2019-20. The increase is primarily due to strong underwriting results in 2020-21 with net premiums written being higher than the previous year. There were more customers and lower net claims incurred than the previous year due to fewer out-of-province auto claims with less people driving during the pandemic. This, along with strong investment returns since March 2020, resulted in SGI CANADA having capacity to pay a higher dividend in 2020-21.

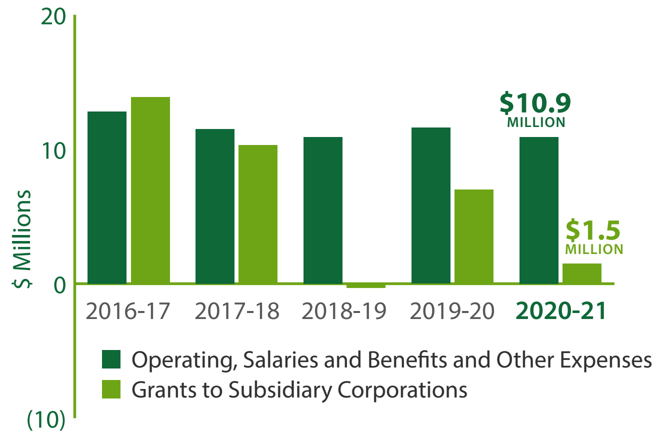
SaskPower's dividend of $48.1 million for 2020-21 increased $27.5 million from the dividend in 2019-20 of $20.6 million. The increase is primarily due to higher than usual sales prices on exports to Texas during U.S. outages in February 2021 and higher Saskatchewan electricity sales resulting from higher demand. SaskPower also received an arbitration award related to a contractual dispute. In 2020-21, SaskPower's dividend payout rate was 30 per cent of net earnings compared to 10 per cent in 2019-20, which attributed to the increase in dividend.

SGC's dividend of $Nil for 2020-21 decreased $13.3 million from 2019-20. This is primarily due to impacts from the COVID-19 pandemic, which resulted in the temporary closure of Casinos Regina and Moose Jaw for slightly over half of the fiscal year.

Comparison of 2020-21 Results with 2019-20 Results *(continued)*

Operating, Salaries and Benefits and Other Expenses

Operating, salaries and benefits and other expenses decreased by $0.7 million during 2020-21 to $10.9 million compared to $11.6 million in 2019-20. The slight decrease is primarily due to impacts the COVID-19 pandemic had on training, travel and project deferrals resulting in lower costs in 2020-21.



Grants to Saskatchewan Immigrant Investor Fund Inc. (SIIF)

In 2020-21, CIC provided grant funding to SIIF of $1.5 million (2019-20 - $7.0 million), a decrease of $5.5 million over the same period in 2019-20. The decrease is a result of SIIF receiving funds from a legal settlement, and the federal government loan repayments were less than the previous year.

SIIF received $1.5 million in grants during 2020-21 to support its repayments to the Government of Canada related to the Immigrant Investor Program (IIP). Grants were provided to SIIF in 2019-20 to meet its federal repayment obligations after a developer was unable to meet its loan repayment schedule, resulting in a shortfall at SIIF. In 2020-21, SIIF received funds from a legal settlement, and the loan repayments to the federal government were less than the same period in 2019-20. Overall, SIIF has been very successful in delivering its mandate to construct more than 1,500 entry level homes with 2,224 units completed in 19 different communities across Saskatchewan. SIIF was able to leverage funds from the federal government and turn over those funds more than once to take full advantage of the IIP funding.

SIIF was established in 2010 to participate in the Government of Canada's IIP. SIIF used IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assisted developers in building affordable entry-level housing in Saskatchewan. On March 31, 2021, SIIF repaid all outstanding allocations to the Government of Canada. On April 1, 2021, SIIF was amalgamated with CIC Asset Management Inc. (CIC AMI). All assets, liabilities and obligations were amalgamated, and the entity will continue to operate as CIC AMI.

Operating, Investing and Financing Activities

Cash Flow Highlights (millions of dollars)		**2020-21**		**2019-20**
Cash from operations	**$**	**224.5**	$	260.4
Cash (used in) provided by investing activities		**(2.4)**		36.9
Cash used in financing activities		**(150.4)**		(350.4)
Change in Cash	**$**	**71.7**	$	(53.1)

Net cash from operations of $224.5 million for 2020-21 decreased $35.9 million from the same period in 2019-20. Cash from operating activities, before the impacts of non-cash items, decreased because of the COVID-19 pandemic negatively impacting earnings at some Crown corporations and dividends to CIC. Crowns declare dividends to CIC at quarter end and pay them three months later.

Net cash used in investing activities for 2020-21 was $2.4 million (2019-20 - cash provided of $36.9 million), a decrease in cash of $39.3 million. The decrease in cash flows is primarily related to a $34.0 million decrease in the year-over-year proceeds related to equity repayments from Crown corporations (see Note 5 of the separate financial statements). In 2019-20, CIC received proceeds of $2.1 million from the sale of the STC Regina maintenance facility. CIC did not receive any cash proceeds for the same period in 2020-21.

Net cash used in financing activities for 2020-21 was $150.4 million compared to $350.4 million in 2019-20. The decrease in cash used was primarily a result of lower dividend and equity repayments to the GRF compared to 2019-20. For 2020-21, CIC declared and paid $150.0 million (2019-20 - $250.0 million) in dividends to the GRF. In 2019-20, CIC repaid $100.0 million in equity advances to the GRF. Less dividends provide increased cash flow to ensure financial flexibility for the pandemic response and for SGC reopening operations. In the past, CIC periodically received equity advances from the Government of Saskatchewan through the GRF. These equity advances are typically used for long-term investment and are expected to be repaid in the future.

Public Policy Initiatives

CIC supports government initiatives and programs, including SIIF, First Nations and Métis Fund Inc. (FNMF), Indigenous Bursary Program, INROADS, Indigenous Cultural Awareness Program and is the plan sponsor of the Capital Pension Plan. More information on these programs is detailed in the Corporate Information section of this report.

On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated. All assets, liabilities and obligations were transferred and the entity will continue to operate as CIC AMI.

First Nations and Métis Fund Inc. (FNMF)

FNMF was established in 2006 to provide venture capital to qualifying First Nations and Métis businesses in Saskatchewan. In 2011, FNMF began funding the government's First Nations Business Development Program (FNBDP). FNBDP provided repayable loans to First Nations businesses that created both investment and job opportunities.

At March 31, 2021, CIC had invested $9.0 million in FNMF to fund qualifying investments. At March 31, 2021, FNMF had two investments remaining that were transferred to CIC AMI as part of the amalgamation. All investments by FNMF, through the FNBDP, were repaid in prior years, and there were no outstanding investments.

Comparison of 2020-21 Results with Budget

CIC Crown Corporations Dividend Revenue (millions of dollars)	2020-21 Dividend Revenue[1] Budget	2020-21 Dividend Revenue[1] Actual	Budgeted Dividend % of Operating Earnings
Dividends to CIC			
SaskTel	$ 73.6	$ 117.7	90%
SGI CANADA	36.0	87.0	N/A
SaskPower	21.7	48.1	30%
SaskEnergy	10.6	20.5	35%
SaskWater	4.6	6.3	75%
ISC	4.3	4.3	N/A
SOCO	1.4	0.6	90%
SGC	0.2	-	80%
CIC AMI	-	-	N/A
Total Dividend Revenue	152.4	284.5	
Grants provided to SIIF	(2.3)	(1.5)	
Operating and net finance expenses (net of other income)	(12.4)	(10.6)	
Separate Earnings	$ 137.7	$ 272.4	
Dividend to the GRF	$ 124.0	$ 150.0	

[1] Crown corporations' dividends are typically based on earnings from operations; however, various factors may lead to an amount being set on an alternate basis.

Earnings

Separate earnings for 2020-21 of $272.4 million were $134.7 million higher than budget of $137.7 million primarily due to increased dividend revenue from subsidiary corporations of $132.1 million. Grants provided to SIIF in 2020-21 were $0.8 million lower than budget, while operating and net finance expenses (net of other income) were $1.8 million lower than budget. A more detailed discussion of 2020-21 actual results compared to budget results is included on the following pages.

Comparison of 2020-21 Results with Budget *(continued)*

Dividend Revenue

$132.1 MILLION

Increase in dividend revenue from budget

SaskTel's dividend of $117.7 million was $44.1 million higher than the budgeted dividend of $73.6 million. This is primarily due to a strong demand for telecommunication services resulting in customer growth in wireless network and equipment revenue and customer premise equipment sales. A portion of this growth is attributable to the pandemic and people learning and working from home.

SGI CANADA's dividend of $87.0 million was $51.0 million higher than the budgeted dividend of $36.0 million, due to strong underwriting results in 2020-21 along with strong investment returns during the year. Strong underwriting results occurred due to customer growth and lower net claims incurred than the previous year as out-of-province auto claims declined due to fewer people driving during the pandemic. Investment markets rebounded throughout the year from the low point in March 2020, which drove strong investment returns during 2020-21.

SGC did not pay a dividend in 2020-21 primarily due to impacts from the COVID-19 pandemic, which resulted in the temporary closure of Casinos Regina and Moose Jaw for just over half of the fiscal year.

SaskPower's dividend of $48.1 million was $26.4 million higher than the budgeted dividend of $21.7 million. Earnings increased due to higher revenue in all classes, except for commercial, driven by demand as well as the arbitration award related to a contractual dispute.

Grants provided to Saskatchewan Immigrant Investor Fund Inc. (SIIF)

During 2020-21, pursuant to Order in Council 558/2020, SIIF received grant funding from CIC of $1.5 million. The funding in 2020-21 was $0.8 million below the budgeted $2.3 million as SIIF received funds from a legal settlement. SIIF used the grant funding to support its repayments to the Government of Canada's IIP (see Notes 6(d) and 10 of the separate financial statements).

Operating and Net Finance Expenses (Net of Other Income)

Operating and net finance expenses (net of other income) were $10.6 million, $1.8 million below the budget of $12.4 million. CIC's operating expenditures were below budget due mainly to impacts the COVID-19 pandemic had on training expenses, travel costs and projects, and deferring costs in 2020-21.

Key Factors Affecting Financial Performance

Earnings

- The key factor affecting CIC's earnings is the level of dividends from commercial subsidiary Crown corporations which can include, but are not limited to, weather conditions, commodity markets, interest rates, competition, regulatory environment and technology changes.
- 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 dividends from a subsidiary Crown corporation after allocating cash for reinvestment in infrastructure and consideration of the Crown's financial sustainability over the medium term.

Investment Valuation

- CIC regularly assesses the appropriateness of the carrying value of its investments and writes down an investment if it judges the investment to have other than a temporary decline in carrying value. These declines can be reversed if the opposite is true.
- There is a mandate to divest CIC's investments in FNMF, CIC Economic Holdco Ltd., and CIC AMI. CIC Economic Holdco Ltd. was dissolved on January 22, 2021 after its investments were divested. On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated. All assets, liabilities and obligations were transferred, and the entity will continue to operate as CIC AMI.

Protect your family.

The dangers of carbon monoxide poisoning are invisible. Install a carbon monoxide alarm today.

In 2020-21, SaskEnergy offered a Carbon Monoxide (CO) Alarm Rebate to help Saskatchewan residents with the cost of purchasing a CO alarm and to assist in raising awareness around the importance of installing a CO alarm in their home. SaskEnergy employees also safely supported customers by following physical distancing protocols and using proper protective gear during service calls.

SaskEnergy

Looking Ahead to 2021-22

CIC's key initiatives for 2021-22 include:

- Provide a reasonable return to the Shareholder (Province of Saskatchewan);
- Support economic recovery and growth through delivering an excellent customer experience, a continued focus on cost management and strong earnings, capital investments that stimulate economic activity in Saskatchewan, and Crowns working together to make it easier to start and do business in Saskatchewan;
- Maintain and improve Saskatchewan's Crown corporation infrastructure to meet the needs of both residents and businesses;
- Provide guidance to the Crown sector to ensure its alignment with *Saskatchewan's Growth Plan: The Next Decade of Growth*, the government's roadmap to build a strong economy, strong communities and strong families, to build a stronger Saskatchewan;
- Continue to align the Crown sector to the Province's *Prairie Resilience* strategy, a commitment to strengthen Saskatchewan to be more resilient to the climatic, economic and policy impacts of climate change;
- Provide strong governance and accountability through a sector-wide Enterprise Risk Management (ERM) framework;
- Monitor new developments in financial reporting and governance, ensuring that CIC continues to be a leader in its reporting and accountability practices;
- Challenge its Crown corporations to identify innovative solutions that ensure high-quality services, while focusing on the most effective and efficient ways possible to deliver those services;
- Continue to implement the Government of Saskatchewan's procurement mandate, which was developed to ensure there is an open, fair and transparent bidding environment for Saskatchewan businesses, and that taxpayers receive best value; and
- Continue to improve collaboration among Crown corporations, ministries and the private sector to increase customer value and to support continuous improvement.

$1.8 MILLION
Saved through reduced operating and net finance expenses

A collage of images SaskPower used when communicating about COVID-19.

SaskTel

cares

Making Saskatchewan Better

New Hope Dog Rescue was one of 65 charities that SaskTel was proud to support through our TelCare program. In 2020-21, nearly $230,000 was distributed to locally operated charities and non-profit organizations in Saskatchewan.

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 3 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 approving 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 their examination and opinion on the separate financial statements, appears on the following page.

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie

Cindy Ogilvie, CPA, CA, ICD.D
Vice President & CFO

June 23, 2021

Independent Auditors' Report

To the Members of the Legislative Assembly 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, 2021
- 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 significant accounting policies

(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, 2021, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' 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 auditors' 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 other information, other than the financial statements and the auditors' report thereon, included in the annual report as at the date of this auditors' 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 auditors' 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 International Financial Reporting Standards, 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 23, 2021
Regina, Canada

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

	Note		2021		2020
ASSETS					
Current					
Cash and cash equivalents		**$**	**82,965**	$	11,297
Interest and accounts receivable			**77**		107
Dividends receivable			**95,905**		47,647
			178,947		59,051
Equity advances to Crown corporations	5		**1,088,731**		1,085,731
Investments in share capital corporations	6		**314**		675
Property, plant and equipment			**161**		217
Right-of-use assets			**3,844**		278
		$	**1,271,997**	$	1,145,952
LIABILITIES AND PROVINCE'S EQUITY					
Current					
Interest and accounts payable		**$**	**2,265**	$	2,250
Lease liabilities			**397**		254
			2,662		2,504
Lease liabilities			**3,453**		25
			6,115		2,529
Province of Saskatchewan's Equity					
Equity advances	7		**808,889**		808,889
Retained earnings			**456,993**		334,534
			1,265,882		1,143,423
		$	**1,271,997**	$	1,145,952

Commitments and contingencies 8

(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	2021	2020
INCOME FROM OPERATIONS			
Dividend revenue	9	**$ 284,520**	$ 230,202
Other income		**170**	8
		284,690	230,210
EXPENSES			
Operating		**2,910**	3,912
Salaries and short-term employee benefits		**7,090**	6,324
Employee future benefits		**507**	486
Depreciation		**539**	527
Impairment (recovery) loss	6(b)	**(160)**	365
Loss on disposal of property, plant and equipment		**5**	6
		10,891	11,620
EARNINGS FROM OPERATIONS		**273,799**	218,590
Finance income		**141**	953
Finance expenses		**(25)**	(17)
NET FINANCE INCOME		**116**	936
EARNINGS BEFORE PUBLIC POLICY INITIATIVES		**273,915**	219,526
Grants provided to Saskatchewan Immigrant Investor Fund Inc.	10	**(1,456)**	(7,000)
NET EARNINGS		**272,459**	212,526
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 272,459**	$ 212,526

(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, 2019		$ 908,889	$ 372,008	$ 1,280,897
Total comprehensive income		-	212,526	212,526
Dividends to the General Revenue Fund (GRF)	7	-	(250,000)	(250,000)
Equity advances repaid to the GRF	7	(100,000)	-	(100,000)
Balance at March 31, 2020		$ 808,889	$ 334,534	$ 1,143,423
Balance at April 1, 2020		**$ 808,889**	**$ 334,534**	**$ 1,143,423**
Total comprehensive income		**-**	**272,459**	**272,459**
Dividends to the GRF	7	**-**	**(150,000)**	**(150,000)**
Balance at March 31, 2021		**$ 808,889**	**$ 456,993**	**$ 1,265,882**

(See accompanying notes)

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

	Note	2021	2020
OPERATING ACTIVITIES			
Net earnings		**$ 272,459**	$ 212,526
Adjustments to reconcile net earnings to cash from operating activities:			
Depreciation		**539**	527
Loss on disposal of property, plant and equipment		**5**	6
Impairment (recovery) loss	6(b)	**(160)**	365
Net finance income		**(116)**	(936)
		272,727	212,488
Net change in non-cash working capital balances related to operations	11	**(48,213)**	47,905
Interest paid		**(25)**	(17)
Net cash from operating activities		**224,489**	260,376
INVESTING ACTIVITIES			
Interest received		**141**	953
Repayment of due from First Nations & Metis Fund Inc.	6(b)	**521**	-
Equity advance repayments from Crown corporations	5	**1,000**	34,000
Equity advances to Crown corporations	5	**(4,000)**	-
Proceeds from sale of property, plant and equipment		**-**	2,090
Purchase of equipment		**(67)**	(144)
Net cash (used in) from investing activities		**(2,405)**	36,899
FINANCING ACTIVITIES			
Equity advance repaid to the GRF	7	**-**	(100,000)
Dividend paid to the GRF	7	**(150,000)**	(250,000)
Principal repayments of lease liabilities		**(416)**	(422)
Net cash used in financing activities		**(150,416)**	(350,422)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR		**71,668**	(53,147)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**11,297**	64,444
CASH AND CASH EQUIVALENTS, END OF YEAR		**$ 82,965**	$ 11,297

(See accompanying notes)

1. General information

Crown Investments Corporation of Saskatchewan (CIC) 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 4.

2. Basis of preparation

a) Statement of compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The separate financial statements were authorized for issue by the Board of Directors on June 23, 2021.

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) Use of 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 investments. These significant areas are further described in Notes 5 and 6.

e) Use of 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 3.

2. Basis of preparation *(continued)*

f) COVID-19 impact assessment

The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. CIC has assessed and continues to monitor the impact of COVID-19 on its operations. Potential impacts include loss of revenue, disruption of supply chain, impairments of assets and challenges associated with a remote or unavailable workforce. Due to the nature of the Corporation's operations, COVID-19 has not had a material impact to its operations, credit risk and liquidity.

3. Significant 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 23, 2021. CIC's audited consolidated financial statements should be referenced for further information.

a) Cash and cash equivalents

Cash and cash equivalents include short-term investments that have a maturity date of ninety days or less. Cash and cash equivalents are measured at fair value through profit and loss, and changes therein are recognized through net earnings.

b) Equity advances to Crown corporations

Crown corporations do not have share capital. However, seven Crown corporations 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.

c) Investments in share capital corporations

Investments in shares of corporations are accounted for at cost. Dividends from these investments are recognized as income when declared.

3. Significant accounting policies *(continued)*

d) 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 of that investment that can be estimated reliably. 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.

e) Equipment

Equipment is recorded at cost less accumulated depreciation and any accumulated impairment losses. When these assets are disposed of or retired, the related costs less accumulated depreciation and any accumulated impairment losses are eliminated from the accounts. Any resulting gains or losses are reflected in the Separate Statement of Comprehensive Income. Equipment is depreciated using the following methods:

Computer equipment	3 years straight-line
Furniture and equipment	20 years straight-line

f) 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 and cash equivalents 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 amortized cost. Amortized cost financial instruments are subsequently measured at amortized cost using the effective interest method, less any provision for impairment losses.

The Corporation classifies interest and accounts payable as amortized cost. 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.

3. Significant accounting policies *(continued)*

g) 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 government policy initiatives is recorded as revenue in the period spending occurs. Funding provided for long-term investment is recorded as an equity advance (Note 7).

h) Revenue recognition

CIC's revenue is derived from the ownership of its subsidiary corporations. Dividend revenue from subsidiary corporations is recorded as income 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.

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

j) Employee future benefits

Defined contribution plan

CIC is a member of the Public Employees' Pension Plan (PEPP), a defined contribution pension plan. PEPP is administered by the Public Employees Benefits Agency (PEBA), which is an agency of the Saskatchewan Ministry of Finance.

A defined contribution plan is a post-employment benefit under which CIC pays fixed contributions to PEPP and has no legal or constructive obligation to pay further amounts. Obligations for contributions to PEPP are recognized as an employee future benefit expense in the Separate Statement of Comprehensive Income in the period during which services are rendered by employees.

4. 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 Her 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**
SaskEnergy Incorporated (SaskEnergy)	Natural gas storage and delivery
Saskatchewan Gaming Corporation (SGC)	Entertainment
Saskatchewan Government Insurance (SGI CANADA)	Property and casualty insurance
Saskatchewan Opportunities Corporation (SOCO)	Research parks
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Information and communications technology
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management

In addition to the above Crown corporations, CIC is the sole shareholder of the following wholly-owned share capital subsidiaries: CIC Asset Management Inc. (CIC AMI); First Nations and Métis Fund Inc. (FNMF); Saskatchewan Immigrant Investor Fund Inc. (SIIF); and CIC Economic Holdco Ltd., all of which are domiciled in Canada. On January 22, 2021, CIC Economic Holdco Ltd. was dissolved. On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated, and the entity will continue to operate as CIC AMI.

5. Equity advances to Crown corporations

Equity advances to Crown corporations are as follows (thousands of dollars):

		2021		2020
SaskPower (a)	**$**	**593,000**	$	593,000
SaskTel		**237,000**		237,000
SOCO (b)		**94,500**		95,500
SGI CANADA		**80,000**		80,000
SaskEnergy		**71,531**		71,531
SaskWater		**8,700**		8,700
SaskGaming (c)		**4,000**		-
	$	**1,088,731**	$	1,085,731

a) During the year ended March 31, 2021, CIC retracted Nil (2020 - $33.0 million) in equity advances from SaskPower.

b) During the year ended March 31, 2021, CIC retracted $1.0 million (2020 - $1.0 million) in equity advances from SOCO.

c) During the year ended March 31, 2021, CIC provided $4.0 million (2020 - $Nil) in equity advances to SaskGaming to support ongoing operations and the cash shortfall from the temporary closure of Casinos Regina and Moose Jaw which were impacted by the COVID-19 pandemic.

6. Investments in share capital corporations

(thousands of dollars)

	Voting Percentage	2021	2020
CIC Asset Management Inc. (a) (f):			
1 (2020 - 1) Class A common share	100%	**$ -**	$ -
First Nations and Métis Fund Inc. (b) (f):			
100 (2020 - 100) Class A common shares	100%		-
Due from FNMF		**8,956**	9,477
Impairment in value of FNMF		**(8,642)**	(8,802)
		314	675
CIC Economic Holdco Ltd. (c):			
Nil (2020 - 100) Class A common shares	100%	**-**	-
Saskatchewan Immigrant Investor Fund Inc. (d) (f):			
1 (2020 - 1) Class A common share	100%	**-**	-
Information Services Corporation (e):			
5,425,000 (2020 - 5,425,000) Class A Limited Voting shares	31%	**-**	-
		$ 314	$ 675

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 of its portfolio of investments.

b) FNMF was established on May 9, 2006 to provide venture capital to qualifying First Nations and Métis businesses in Saskatchewan. In 2020-21, FNMF repaid $0.5 million of its loan from CIC. During 2020-21, CIC recorded a recovery of the provision against amount due from FNMF of $0.2 million. At March 31, 2021, CIC has a cumulative impairment of $8.6 million (2020 - $8.8 million) related to its investment in FNMF.

c) CIC, through its wholly-owned subsidiary, CIC Economic Holdco Ltd., entered into a joint venture agreement with Saskatchewan Entrepreneurial Fund Joint Venture (SEFJV). The SEFJV was established on April 24, 2006 to operate as an institutional investment fund focused primarily on investment in Saskatchewan and the creation of employment and economic growth and expansion of the small business sector in Saskatchewan. The SEFJV was terminated during 2020. On January 22, 2021, CIC Economic Holdco Ltd. was dissolved and all assets totaling $0.2 million were transferred to CIC.

d) SIIF was established on October 6, 2010 under *The Business Corporations Act (Saskatchewan)*. SIIF was established to participate in the Government of Canada's Immigrant Investor Program (IIP). SIIF used IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assisted municipalities, builders and developers in building affordable entry-level housing. On February 11, 2014, the Government of Canada announced that it would no longer accept funds into the IIP. SIIF continued to receive funds from the Government of Canada until 2020 and repayment of the funds was due in 2024. SIIF completed an early repayment of the outstanding IIP allocations on March 31, 2021, completing its obligation to the Government of Canada.

6. Investments in share capital corporations *(continued)*

e) The Corporation owns 5,425,000 Class A Limited Voting shares representing a 31.0 per cent ownership interest of ISC. At March 31, 2021, the fair value of these shares was $133.4 million (2020 - $78.4 million).

f) On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated, and the entity will continue to operate as CIC AMI.

7. 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, 2021, CIC repaid $Nil (2020 - $100.0 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 include support to non-dividend paying 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, 2021, CIC declared and paid $150.0 million (2020 - $250.0 million) in dividends to the GRF.

8. Commitments and contingencies

CIC is the plan sponsor and guarantor of the Capital Pension Plan (CPP), a retirement annuity fund that provides life annuities to its members. CPP is administered by PEBA on behalf of CIC. An actuarial valuation of CPP is performed annually to assess the funding position of CPP and indicate any funding shortfalls. The assets of the Fund at March 31, 2021 exceed the actuarially determined net present value of retirement annuities payable. As a result, CIC does not expect any exposure under this guarantee in 2021-22.

9. Dividend revenue

(thousands of dollars)

		2021		2020
SaskTel	**$**	**117,739**	$	107,799
SGI CANADA		**87,000**		54,250
SaskPower		**48,072**		20,580
SaskEnergy		**20,553**		23,120
SaskWater		**6,259**		4,176
Information Services Corporation		**4,340**		4,340
SOCO		**557**		2,666
SaskGaming		**-**		13,271
	$	**284,520**	$	230,202

10. Grants provided to Saskatchewan Immigrant Investor Fund Inc.

(thousands of dollars)

		2021		2020
SIIF Inc. (a)	**$**	**1,456**	$	7,000

a) For the year ended March 31, 2021, pursuant to Order in Council 558/2020, SIIF received grant funding from CIC of $1.5 million (2020 - $7.0 million) to support its repayments to the Government of Canada relating to the Immigrant Investor Program (Note 6(d)).

11. Net change in non-cash working capital balances related to operations

(thousands of dollars)

		2021		2020
Decrease (increase) in interest and accounts receivable	**$**	**30**	$	(14)
(Increase) decrease in dividends receivable		**(48,258)**		48,490
Increase (decrease) in interest and accounts payable		**15**		(46)
Decrease in deferred revenue		**-**		(525)
	$	**(48,213)**	$	47,905

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 and cash equivalents are 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 and cash equivalents are 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 mostly of interest due on money market investments. CIC has recorded no allowance 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 allowances on its dividends receivable.

12. Financial instruments *(continued)*

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 six months of period end. 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, FNMF, and CIC Economic Holdco Ltd. without charge. CIC also provides administrative services to SIIF.

These separate financial statements and the notes thereto separately describe other transactions and amounts due to and from related parties and the terms of settlement.

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 (2020 - 1.92 per cent).

Key management personnel compensation is comprised of:
(thousands of dollars)

		2021		2020
Salaries and short-term employee benefits	**$**	**1,255**	$	1,170
Termination benefits		**579**		-
Employee future benefits		**198**		144
Other		**9**		7
	$	**2,041**	$	1,321

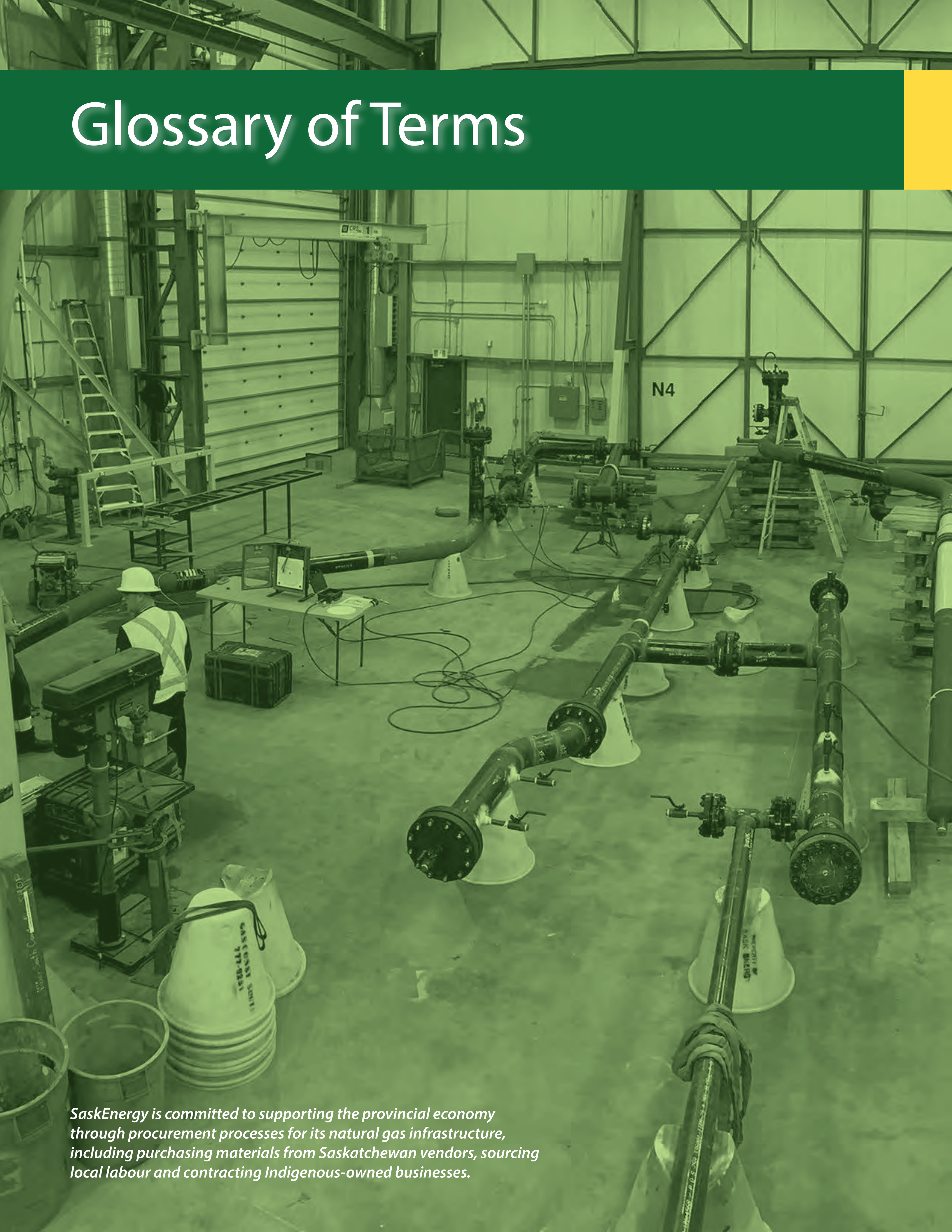
14. Pension plan

CIC is a member of the Public Employees' Pension Plan (PEPP), a defined contribution pension plan. CIC's contributions to PEPP include making regular payments to match the required amounts contributed by employees for current service. The total amount paid to PEPP for the year ended March 31, 2021 was $0.5 million (2020 - $0.7 million).

15. Comparative information

Certain of the March 31, 2020 information has been reclassified to conform to the current year's presentation.

Glossary of Terms



SaskEnergy is committed to supporting the provincial economy through procurement processes for its natural gas infrastructure, including purchasing materials from Saskatchewan vendors, sourcing local labour and contracting Indigenous-owned businesses.

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 exceptions.

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.

__SaskWater's Codette Lake Regional Water Supply System__ received an $8.4 million upgrade in 2020-21. The system's regional water treatment plant in Melfort underwent a significant expansion, and a new clarifier, additional filters and backup power were installed at the facility. The project is partially funded by the federal and provincial governments through the New Building Canada Fund.

Directory

Crown Investments Corporation

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Regina, Saskatchewan S4P 1C8
Inquiry: 306-787-6851
Website: www.cicorp.sk.ca

Saskatchewan Gaming Corporation

President: Susan Flett
1880 Saskatchewan Drive
Regina, Saskatchewan S4P 0B2
Inquiry: 1-800-555-3189
Website: www.casinoregina.com

Saskatchewan Government Insurance

President: Andrew Cartmell
2260 – 11th Avenue
Regina, Saskatchewan S4P 0J9
Inquiry: 1-844-855-2744
Websites: www.sgi.sk.ca | www.sgicanada.ca

Saskatchewan Opportunities Corporation

Acting President: Brent Sukenik
114 – 15 Innovation Boulevard
Saskatoon, Saskatchewan S7N 2X8
Inquiry: 306-933-6295
Website: www.innovationplace.com

Saskatchewan Power Corporation

President: Mike Marsh
2025 Victoria Avenue
Regina, Saskatchewan S4P 0S1
Inquiry: 1-888-757-6937
Website: www.saskpower.com

Saskatchewan Telecommunications

President: Doug Burnett
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Regina, Saskatchewan S4P 3Y2
Inquiry: 1-800-727-5835
Website: www.sasktel.com

Saskatchewan Water Corporation

President: Doug Matthies
200 – 111 Fairford Street East
Moose Jaw, Saskatchewan S6H 1C8
Inquiry: 1-888-230-1111
Website: www.saskwater.com

SaskEnergy Incorporated

President: Ken From
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