Crown Investments Corporation

2016-17 ANNUAL REPORT

"The Crown sector has once again had a successful year, providing earnings and dividends to the Province at a much needed time. Despite the challenges and setbacks the economic markets have provided, we have embarked on an era of transformational change that will continue to strengthen the sector. We will be looking for positive changes that will leverage the expertise we have in the Crowns and enable continued success for years to come."

Blair Swystun, CFA, President & CEO, CIC

Table of Contents

Photo credits: shutterstock.com (pages 4-5; 62; 144) |
vectorstock.com (vector images throughout the report)

Letter of Transmittal

Government
of
Saskatchewan

Regina, Saskatchewan
July 21, 2017

To Her Honour
The Honourable Vaughn Solomon Schofield, S.O.M., S.V.M.
Lieutenant Governor of Saskatchewan

Madam:

I have the honour to submit herewith the thirty-ninth annual report of the Crown Investments Corporation of Saskatchewan for the twelve months ended March 31, 2017, in accordance with *The Crown Corporations Act, 1993*. The Consolidated and Separate Financial Statements included in this annual report are in the form approved by the Treasury Board and have been reported on by the auditors.

Respectfully submitted,

Joe Hargrave
Minister of Crown Investments

Minister's Message

2016-17 was a challenging year for our province. Changing competitive landscapes, environmental impacts, aging infrastructure, and a rapidly advancing digital world put pressures on Saskatchewan, and in particular, the Crown sector.

The Crown sector is a powerful economic engine that provides high quality products and first class customer service to our province's residents, while contributing millions of dollars in earnings and dividends to the provincial finances. Indeed, Saskatchewan is unique among Canadian provinces in terms of the strength and resilience of its Crown sector.

In recent years, the provincial economy has experienced one of the most significant downturns in decades. Natural resource prices, once so lucrative for our province, have fallen and remained low, putting Saskatchewan in a $1.3 billion deficit. However, we do have the Crown sector, and while we know it is an asset that our people are proud of, we must also leverage that asset to help return the province to a balanced budget.

Strengthening the Crown sector is an innovative idea that really isn't all that new. Inviting outside participation by providing investment opportunities and generating liquidity is one of the oldest principles in the financial market. To enable these opportunities, this spring the government passed Bill 40, *The Interpretation Amendment Act, 2016*. Bill 40 not only defines what constitutes privatization, but also provides parameters for winding up operations where strengthening is not realistic. This bill provides the provincial government with guidelines for taking advantage of these opportunities.

This spring, the government made a very difficult decision regarding the ever-increasing subsidy to the Saskatchewan Transportation Company (STC). On March 22, 2017, we announced that subsidies to STC will end, and the company would be wound up. This is just one example of transformational change that will enable future funds to be put towards government priorities.

Our Crown sector provides the kind of investment opportunities that are very attractive in any market, and with the passage of Bill 40, there is now an opportunity to strengthen their economic standing while maintaining public ownership. In short, we could have the best of both worlds. This doesn't mean we are willing to give up the benefits many have worked so hard to achieve. Partnerships will only be considered if they strengthen the Crowns financially; keep utility rates low; protect and create more jobs in the province; as well as maintain a head office presence in Saskatchewan.

The Crowns are dedicated to keeping Saskatchewan strong and contribute significantly to the economy. In addition to providing well-paying jobs for residents, affordable utility rates, excellent customer service, and technological advancements, the Crown sector contributed $219.0 million in dividends to the General Revenue Fund in 2016-17. Over the past five years, the sector contributed $1.4 billion in dividends to the General Revenue Fund. We must be responsible stewards of this powerful engine, but at the same time, we must also look for ways to grow and develop the sector for the betterment of all Saskatchewan people.

Our Crown corporations have significant challenges ahead of them. We are very fortunate to have talented and dedicated professionals working in every sector to meet these challenges head on. I want to thank everyone who has been instrumental to the success of the Crown sector, and in particular, I want to thank the employees of STC who have been dedicated to providing outstanding service to the people of Saskatchewan for many years.

I look forward to the continued success of the Crown sector as we move into a new era for Saskatchewan of new structure options and enhanced sector strength.

Joe Hargrave
Minister of Crown Investments

President's Message

2016-17 was a successful, yet challenging year for the Saskatchewan Crown sector. Crown corporations were able to contribute increased dividends to the Province, while operating in a challenging environment that included turbulent resource markets and increased environmental and competitive pressures. As with all enduring corporations, aging infrastructure and technological advancements, along with competitive and regulatory pressures, continually challenge the potential for growth and maintaining reasonable profitability.

I am pleased to report that the Crown sector remains strong and is responding to these challenges. It is committed to keeping Saskatchewan strong through innovative thinking, implementing transformational change, and continuing responsible fiscal management. This is not an easy task. However, in 2016-17, CIC and the Crown sector responded to the province's challenges by meeting many goals, and in some cases, surpassing them.

CIC, on behalf of the sector, contributed a dividend of $219 million to the General Revenue Fund, surpassing the budgeted goal of $204 million. The increased contributions can be attributed, in part, to strong investment earnings and underwriting results at SGI CANADA and an increased dividend from CIC Asset Management Inc.

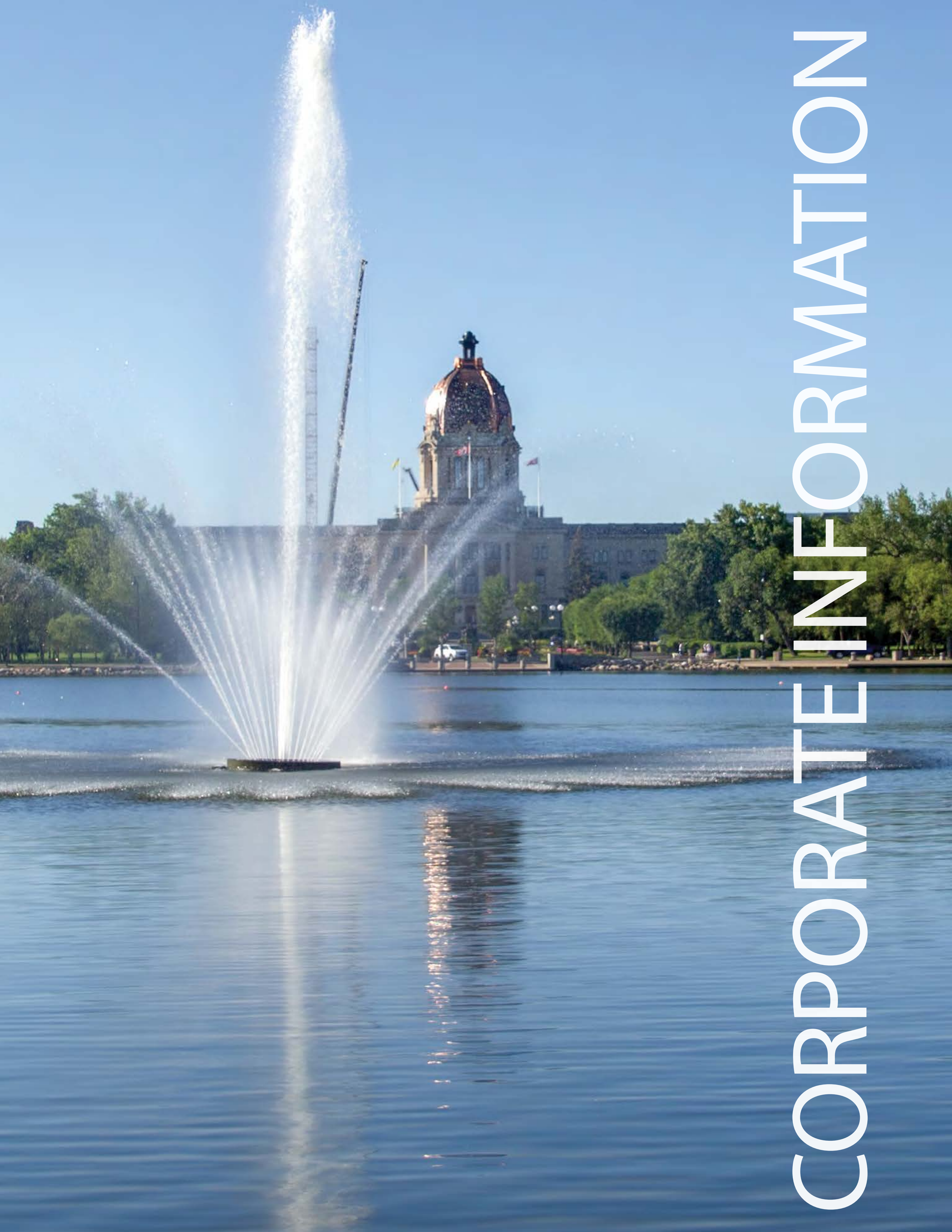
Crown sector net earnings continued to be strong, totalling $398.6 million for the fiscal year. This is attributable to the sector's dedication to providing excellent customer products and services and being responsive to the demand for safe, reliable and affordable services. The sector's dedication to success enabled the Crowns to contribute to the government's restraint efforts over and above their targeted goals, while still meeting their respective business challenges.

The Crowns invested $1.4 billion in infrastructure and technology to meet demands for safety and high quality services. This was a significant injection into the provincial economy in 2016-17. For the next four years we expect the Crowns to invest an average of $1.9 billion annually to continue their focus on infrastructure and technology and to meet the needs of continued growth in Saskatchewan.

As in any business environment, difficult choices must be made from time to time. This is the case regarding Saskatchewan Transportation Company. The government announced on March 22, 2017, that the company would be wound up, ending the annual subsidy provision that had risen to a projected $17 million for 2017-18. With vehicular operations ceasing May 31, 2017, the company will wind up administrative and regulatory responsibilities. Transformational change means adjusting ways of doing business, and this is one of those adjustments.

This annual report profiles the success of the sector, while highlighting the challenges and recognizing the expertise we have come to expect from Crown corporations. Collectively, we have embarked on an era of transformational change that will allow a fresh perspective while strengthening the financial position of the Province. I am proud of the successes achieved to date, and look forward to continued success as we chart new ways to keep Saskatchewan strong.

Blair Swystun, CFA
President & CEO



CORPORATE INFORMATION

Corporate Overview

Crown Investments Corporation (CIC) is the financially self-sufficient holding company for eight subsidiary commercial Crown corporations and five 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 and opportunities 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.

Holdings

CIC exercises supervisory responsibilities over its subsidiary Crown corporations in addition to operating as a Crown corporation itself. As of March 31, 2017, the subsidiary Crown corporations and wholly-owned subsidiaries included:

Utilities

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

Transportation

Saskatchewan Transportation Company (STC)[2]

Entertainment

Saskatchewan Gaming Corporation (SGC)

Investment & Economic Growth

Saskatchewan Opportunities Corporation (SOCO)
CIC Asset Management Inc. (CIC AMI)
Saskatchewan Immigrant Investor Fund Inc. (SIIF)

Insurance

Saskatchewan Government Insurance (SGI CANADA)[1]

Other

Gradworks Inc.[3]
First Nations & Métis Fund Inc. (FNMF)
CIC Economic Holdco Ltd. (Saskatchewan Entrepreneurial Fund Joint Venture)

[1] 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.

[2] On March 22, 2017, it was announced that STC will cease providing vehicular services on May 31, 2017.

[3] Gradworks Inc. is being wound down in 2017-18. Current interns will complete their terms, and no additional internships will be filled.

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.

Vision, Mission & Values

In 2016-17, the CIC team focused on the shareholders' vision of "Keeping Saskatchewan Strong" and worked to achieve increased efficiencies to ensure a sustainable future for Saskatchewan's Crown corporations.

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.

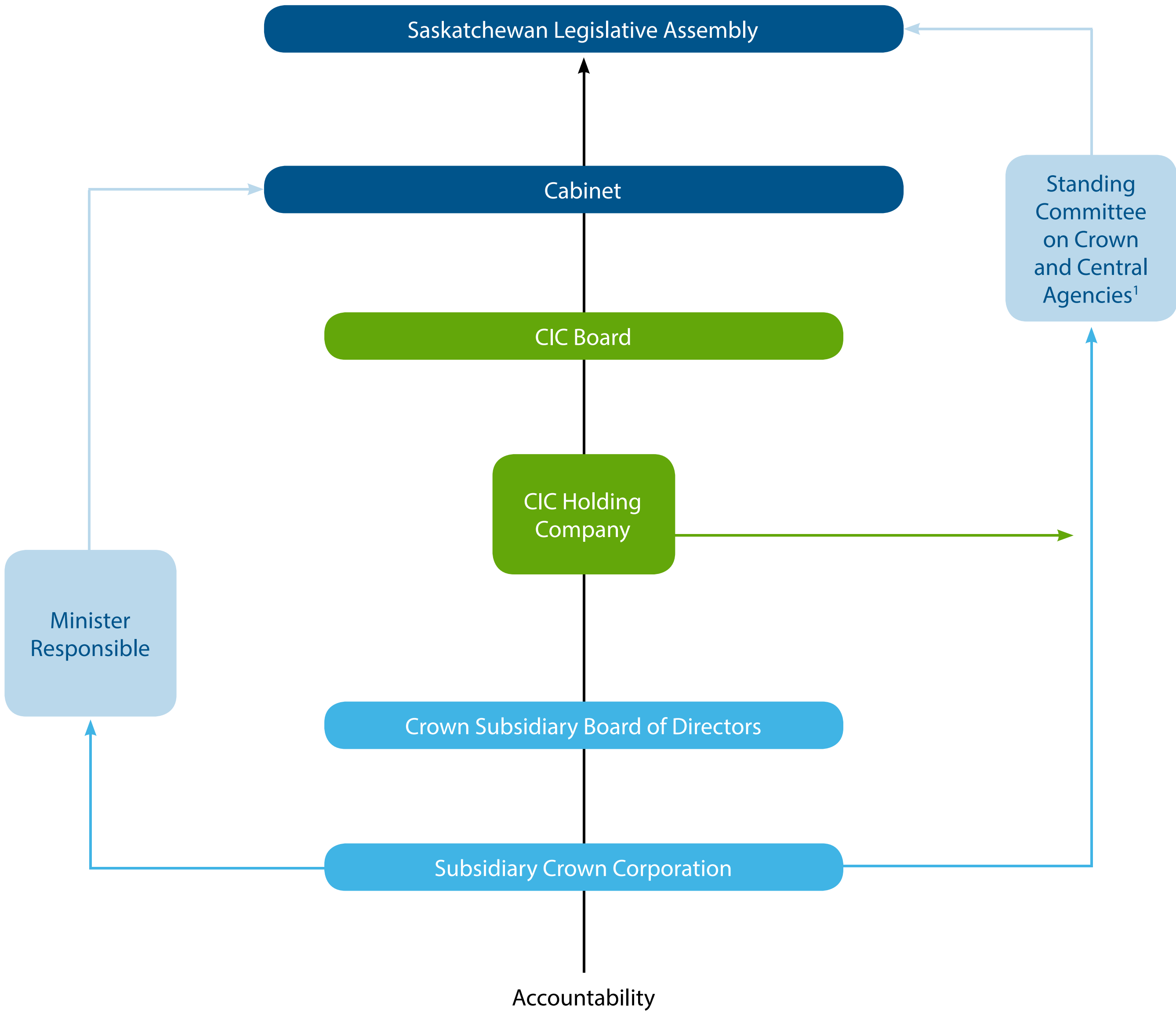
LEADERSHIP: We provide guidance and inspiration for the Crown sector to effectively and efficiently fulfill its mandate. We develop leaders at all levels and value the commitment and contributions of our employees and partners.

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 to the all-party committee of the legislative assembly, the Standing Committee on Crown and Central Agencies. It also outlines the reporting structure for decision items and performance management and defines 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 to 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 a large role in achieving government's direction for the province. The government's vision and goals are the foundation for the Crown Sector Strategic Priorities (CSSP) and serves as the road map to support 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 the government's direction and 2016-17 Budget focused on "Keeping Saskatchewan Strong", the CSSP build on Saskatchewan's strengths by investing in needed infrastructure, vital programs, and services for the people of the province. Through the CSSP, all Crown corporations support the vision and goals of the Saskatchewan Plan for Growth.

Crown Sector Strategic Priorities

The Crown sector plays an important role in achieving the government's vision and goals. Included below are the focus areas in the CSSP:

Customer Focus

- Continue to provide timely, reliable, high quality products and services to the people of Saskatchewan.
- Through continuous improvement, identify innovative ways to deliver services more efficiently and effectively in order to keep service levels high and rates as low as possible. Contribute to improving the quality of life in Saskatchewan by supporting the Province's environmental commitments.

Financial Sustainability

- Crowns will maintain strong financial health and operational outcomes consistent with industry standards.
- Through innovative approaches to conducting business, with emphasis on collaboration and efficiency, the Crown sector will enhance the value of Saskatchewan's Crowns and provide sustainable earnings and dividends to the shareholder.
- Focus Crown operations and investments within Saskatchewan.

Infrastructure Investment

- Targeted investments in infrastructure focused on ensuring the sustainability of high quality services and Crown earnings.
- Strategic execution of capital plans to support economic growth and enhance the quality of life for Saskatchewan people.

Private Sector Engagement

- Pursue a greater role for the private sector by leveraging skills, expertise and innovation to promote economic growth, reduce costs and improve service delivery.
- Through strategic procurement practices and an enhanced focus on supplier development, Crowns will support economic growth in Saskatchewan.
- Form partnerships and joint ventures using private sector expertise and investment capital.

Skilled Labour Force

- Strengthen efforts to attract skilled workers to the Crown sector by pursuing educational partnerships, focusing on the long term need for skills and knowledge in the sector.
- Build an effective workforce through innovative strategies that attract, retain and develop capable people, recognizing the diversity of the future labour force in Saskatchewan.
- Promote a culture of innovation and continuous improvement by challenging all levels of the organization to identify process improvements.

Keeping Saskatchewan Strong

Periodically, the Government of Saskatchewan provides additional shareholder direction to ensure the Crown sector is meeting the needs of the government and the people of Saskatchewan. In 2016-17, transformational change and fiscal restraint were two government directives set to achieve increased efficiencies and improve the Province's financial position. The Crown sector is committed to meeting the challenges of growth and the government's vision for the province.

Transformational Change

In 2016-17, the government introduced 'Transformational Change', a government-wide effort to consider new ways of doing business in order to provide sustainable, high quality products and services in the most effective and efficient way possible. This requires:

- enhanced collaboration between Crown corporations, ministries and the private sector;
- supporting growth through increased partnerships that utilize private sector innovation and expertise;
- strategic procurement and employment practices that support Aboriginal and First Nations engagement;
- critical review of Crown processes, service delivery and internal programs to improve productivity, quality, service and cost savings;
- focusing resources on core business activities and government growth initiatives; and
- cost restraint to reduce controllable spending.

Throughout 2016-17, CIC has challenged the Crown sector to rethink and redefine how services are delivered to the people of Saskatchewan. Through continued leadership in the Crown sector, CIC will prioritize and support collaboration, innovation and financial sustainability to help achieve transformational change.

Fiscal Restraint

2016-17 was a challenging year, with world markets directly impacting the Saskatchewan economy. The CIC Crown sector played an essential role in contributing to fiscal restraint efforts. The Crown corporations focused efforts on controllable spending and managing debt levels to ensure strong returns to the shareholder. This included directing human and capital resources to priority areas to meet customer demand and support economic growth, as well as focusing on the core functions of the Crown corporations.

The CIC Crown sector is committed to supporting the Government of Saskatchewan in meeting its financial objectives and will continue its long-standing commitment to responsible financial management.

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 demonstrates how strategic direction is relayed and performance is managed in the Crown sector.

Strategic Shareholder Direction

The first stage in the process is the development of the CSSP, led by CIC and validated by the CIC Board. The CSSP articulate shareholder expectations and provide medium to long-term direction to the Crown sector. CIC ensures that the Crowns are working towards achieving the CSSP identified on page 8.

Subsidiary Crown Corporation Plans

The second stage is the development of the subsidiary Crowns' corporate strategic plans, demonstrating alignment to the 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 reviewed by subsidiary Crown boards.

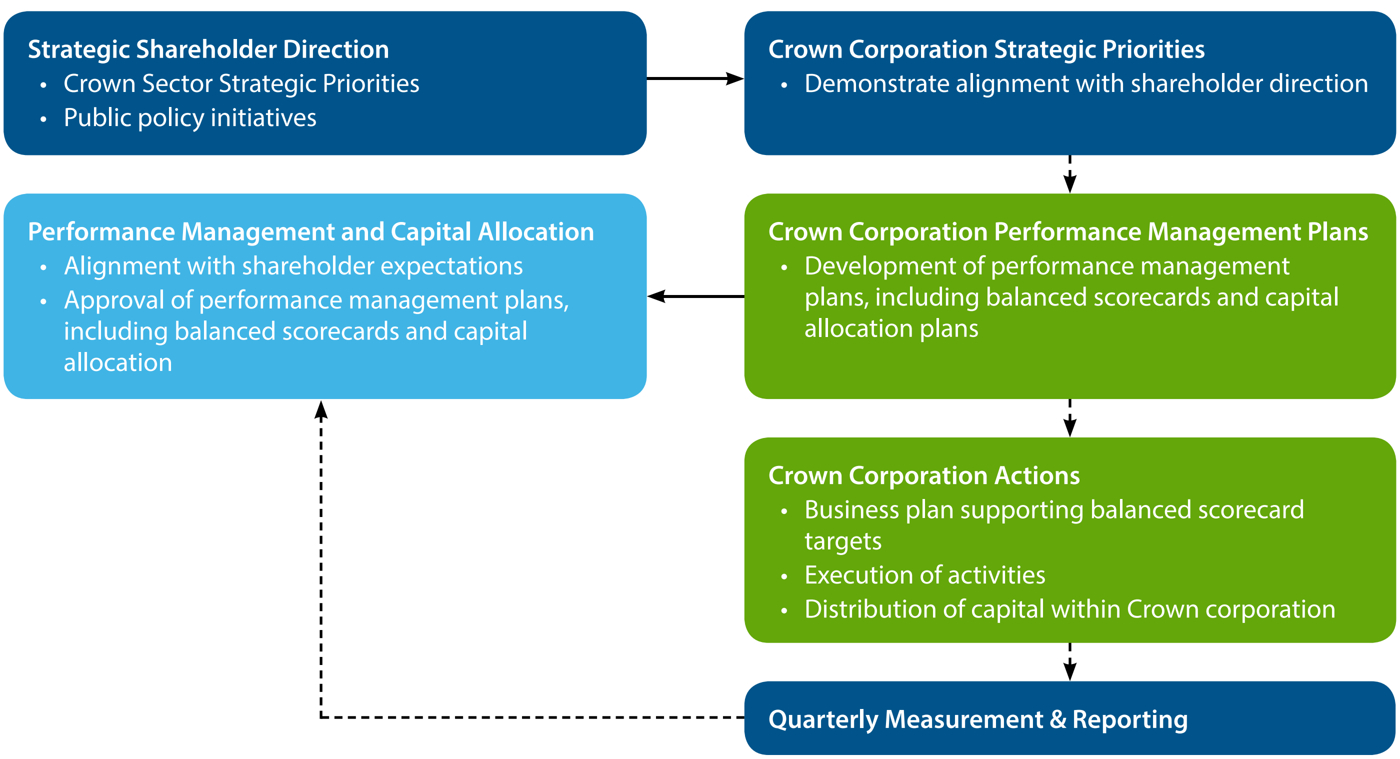
Performance Management Approval & Reporting

The third stage is 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

CIC Board Oversight | **Subsidiary Crown Board Oversight**



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. Related to this, CIC:

- delivers centralized corporate secretary and governance advisory services to the Crown boards;
- supports boards in identifying director skill sets required to function effectively and assess and improve performance; and
- sponsors a professional development training program leading to a director designation 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. 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;
- meetings with the chairs of committees of the Crown boards, as required, 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; and
- meetings of the CIC President & CEO with the presidents of subsidiary Crown corporations.

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 on publicly listed companies. CIC is continuing to ensure that the Crown sector follows best practice for publicly accountable companies.

Accountability & Transparency

CIC has developed a comprehensive performance evaluation system applicable to each of its subsidiary Crown boards. Evaluations are conducted on a two-year cycle, with some aspects of performance evaluated annually. In 2016-17, all operational Crown boards administered performance evaluations of the board chair and the board as a whole. Evaluations are conducted by survey, and follow-up interviews are done with individual directors where necessary to clarify the responses. Each Crown board is responsible for developing a plan to act on the results of the performance evaluations. A summary of the evaluation results is shared with CIC.

Board Professional Development

CIC is committed to providing the members of its subsidiary Crown boards with the education necessary to effectively discharge their responsibilities. Since 1998, CIC has provided a governance training program for members of the subsidiary Crown boards. From 2009-2016, CIC offered The Directors College Chartered Director Certification Program to directors, which led to designation as a chartered director for those who completed all of the modules and passed the qualifying exam. No modules were offered in 2016-17, as there were too few new directors to meet the minimum participation requirements.

Crown Sector Board Composition

53%

FEMALE REPRESENTATION

on Crown boards, including two female chairs, five female vice chairs and Saskatchewan's first Aboriginal female vice chair

10%

ABORIGINAL REPRESENTATION

on Crown boards, including the appointment of the first Aboriginal chair of a CIC subsidiary Crown board

10%

VISIBLE MINORITY REPRESENTATION

on Crown boards, doubling the overall representation from 5% in 2016

Diversity and Subsidiary Crown Corporation Board Appointment

In 2016-17, the government undertook a board renewal initiative to enhance diversity and achieve gender equity on CIC subsidiary Crown boards of directors. As a result, Crown boards are now comprised of 53 per cent overall female representation, all eight boards have 50 per cent or more women. There are two female chairs and five female vice chairs, including the first Aboriginal female appointed to a vice chair position. Overall representation of Aboriginal peoples doubled from 5 per cent to 10 per cent, with the shareholder appointing the first Aboriginal person to serve as chair of a CIC subsidiary Crown board. As well, the representation of visible minorities on Crown boards increased from 5 per cent to 10 per cent in 2016.

We know that diversity makes our society richer and more vibrant – it also makes us stronger.

The variety in expertise, insight and perspective from peoples of different descent, gender, orientation, age and culture prove invaluable around the board room table. As an Aboriginal woman, I'm proud to bring my skills and experience to the SaskGaming Board of Directors as Vice Chair and to contribute to the corporation's success.

Patricia Thomson, Vice Chair, SGC

Enterprise Risk & Opportunities Management (EROM)

CIC and all of its subsidiary Crown corporations follow the Enterprise Risk and Opportunities Management (EROM) Minimum Standards Policy. EROM 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 EROM 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 framework 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 EROM 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. An attempt is made to address overall risk tolerance limits by establishing a risk assessment rating 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 EROM results to 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 plan is reviewed and approved by the subsidiary Crown corporation board and the CIC Board through quarterly reporting.

A detailed discussion of EROM results specific to each subsidiary Crown corporation is included in the respective subsidiary annual report that is released to the public. Summarized results are included in the subsidiary profiles on pages 54 to 73 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 interview all senior management. The interviews 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 and CIC Board determine the risk tolerance and decide 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. The corporation reports annually to the board on its EROM.

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 or failure of outdated and insufficient IT infrastructure.**
   CIC's network contains electronic records in all areas of business. This risk is mitigated through processes and controls that strengthen security on CIC's network and monitoring. CIC continually reviews its process and controls for improvements. CIC also mitigates this risk by ensuring all workstations and mobile devices are password protected, securing access to its server room and by providing training on cyber security threats to all staff members. CIC is in the process of migration of its server infrastructure to a secure data centre.
2. **Inability of 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 capital allocation 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 accepted.

"Ideas and innovation breed success. That's why at SaskGaming we're working hard to build on 21 years of achievements by introducing new product lines and strategies, and developing our future core market. Along with our valued employees, we're delivering on our mandate to give back to the people of this province – today and every day – while staying on the cutting edge of gaming modernization."

Susan Flett, President & CEO, SaskGaming

Promoting Best Practices in Crown Sector Disclosure

Conference Board of Canada – Governance Index Survey

The Conference Board of Canada (CBoC) maintains a 30-year database that allows boards to benchmark their performance and governance practices against those of selected leading comparator boards in the public and private sectors in Canada (Governance Index). CIC has used the CBoC Governance Index to gain an external perspective on the governance practices of its subsidiary Crown boards. In previous surveys, the ratings achieved by CIC's Crown boards have surpassed those of all other boards in the public and private sector whose ratings were recorded in the CBoC's database. CIC will initiate the next Governance Index survey in 2018-19.

Conference Board of Canada – Reporting & Disclosure Review

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

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

The most recent CBoC review was conducted in the fall of 2015 on CIC's and the subsidiary Crown corporations' 2014 annual reports. This review resulted in the Crown sector receiving a rating of "A" which was above its target of "B+".

The CBoC will conduct its next review on CIC and the subsidiary Crown corporations' 2017-18 annual reports, and the results will be reflected in CIC's 2018-19 balanced scorecard.

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 uses IIP funds to deliver the HeadStart on a Home program that assists builders and developers in building affordable housing in Saskatchewan communities;
- First Nations and Métis Fund Inc. (FNMF), a venture capital fund focusing on Aboriginal businesses;
- First Nations Business Development Program (FNBDP), a program that provides repayable loans to First Nations businesses to facilitate capital investment and job opportunities for Aboriginal people;
- Gradworks Inc., an internship program for CIC Crown corporations[1];
- Aboriginal Bursary Program, provides financial assistance to Aboriginal post-secondary students; and
- CIC is the plan sponsor of the Capital Pension Plan.

[1] Gradworks Inc. is being wound down in 2017-18. Current interns will complete their terms, and no additional internships will be filled.

Saskatchewan Rate Review Panel

The Saskatchewan Rate Review Panel (the 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, while balancing the interests of the customer, the Crown corporation and the public. 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 2016-17 included:

- Albert Johnston, Chair
- Delaine Barber, Vice Chair (effective January 1, 2017)
- Duane Hayunga, Member (effective January 1, 2017)
- Steve Kemp, Member
- Burl Adams, Member
- Lyle Walsh, Member
- Daryl Hasein, Member
- Bill Barzeele, Vice Chair (term expired December 31, 2016)

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 management of the CIC Crown sector to ensure that financial performance targets are achieved in the current year and that the financial sustainability of the CIC Crown sector is maintained for the future. This includes important functions such as:

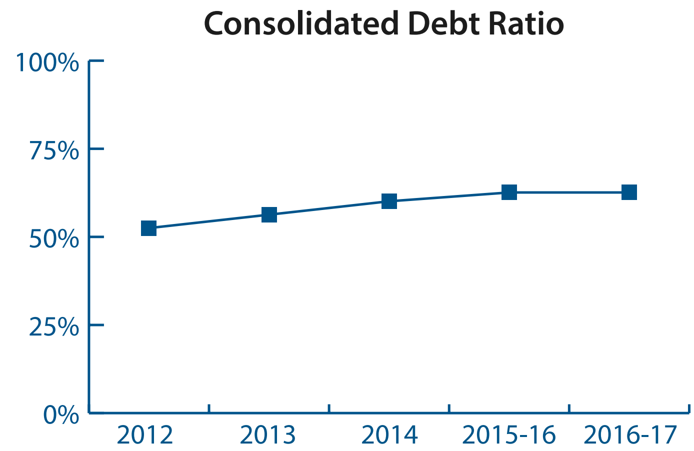
- providing analysis and recommendations on Crown sector earnings;
- ensuring CIC Crown corporations have sufficient capital available to maintain and/or expand existing infrastructure;
- examining capital structures of CIC Crown corporations (generally consisting of debt and equity) to maintain financial health; and
- forecasting available cash flows over the planning horizon to analyze and advise on future dividend payments to the General Revenue Fund (GRF).

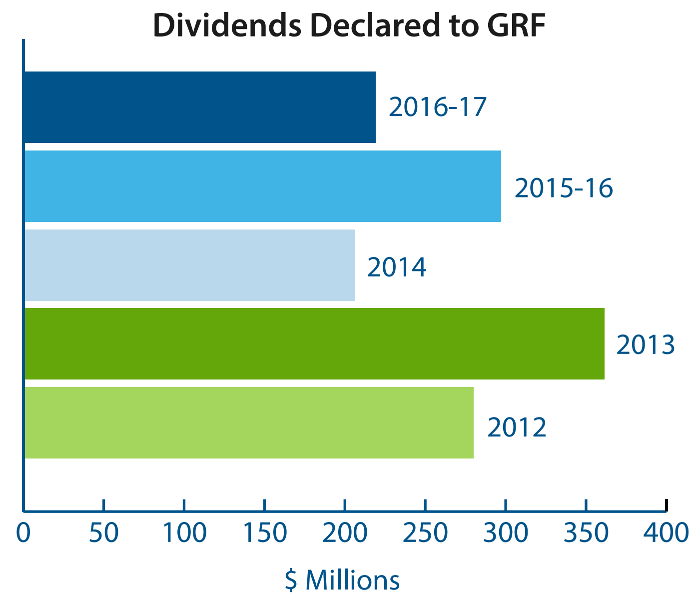
All decisions that impact financial resources, such as dividends from the CIC Crown sector, dividends to the GRF, or funding of a public policy initiative, are assessed within the context of financial self-sufficiency, while contributing to the government's priorities for the CIC Crown sector.

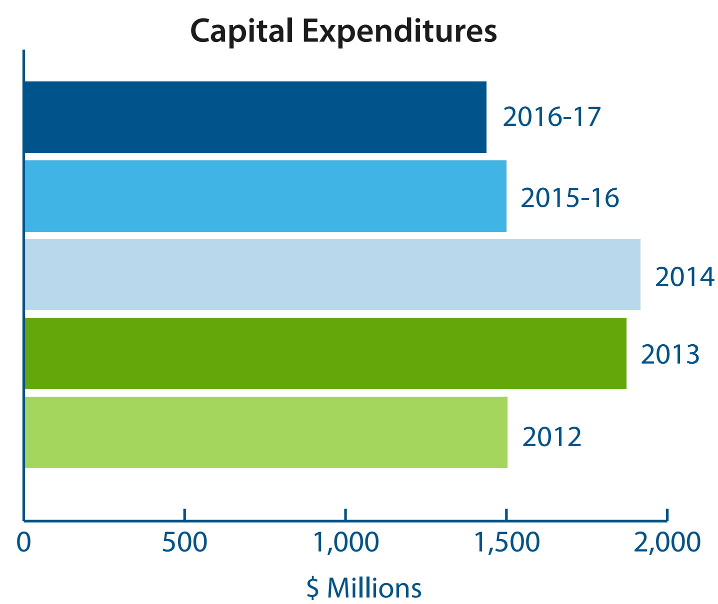
During 2016-17, the government made the decision to wind up STC's operations. STC's projected subsidies from CIC over the next five years of more than $85 million, while experiencing continued decline in ridership, were determined to be unsustainable. On March 22, 2017, the government announced that STC will cease providing passenger and freight services on May 31, 2017. Going forward, the funds previously directed to STC will contribute to achieving other government priorities.

CIC continues to prioritize maintaining sustainable debt levels while re-investing in infrastructure, as well as providing a return to the shareholder. During 2016-17, CIC's allocation of financial resources included the following:

- support of public policy initiatives;
- declaration and payment of dividends to the GRF of $219.0 million; and
- authorizing capital spending plans of subsidiary Crown corporations that resulted in capital expenditures of $1.437 billion to meet the reinvestment requirements of a growing province.







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 also provide a return to the Province's 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.

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 in support of 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. 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.

CIC Dividend Policy

In a similar way, 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 funds to support public policy initiatives.

In 2016-17, CIC allocated $232.9 million of capital as follows:

Reinvestment and Public Policy Expenditures:

- $13.6 million in grant funding to STC; and
- $0.3 million to Gradworks to support operations.

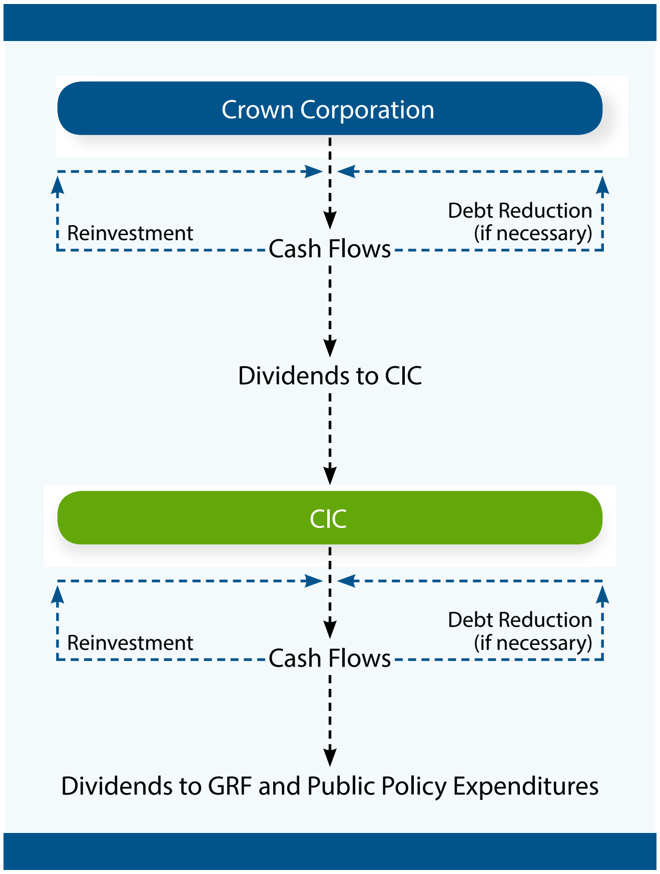
Debt Reduction:

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

Dividend:

- GRF dividend of $219.0 million.

CIC's ability to pay dividends to the GRF depends mainly on the level of Crown dividends paid to CIC, less CIC's operating costs (see page 147 in the CIC Separate MD&A section of this report for more detail on CIC 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.



Capital Structures of Subsidiary Corporations

The following table summarizes the target capital structure of CIC's subsidiary corporations that declared dividends to CIC in 2016-17. Capital structure targets are based on industry benchmarks where possible and are approved by the CIC Board.

	Capital Structure Measure	Capital Structure Target	2016-17 Actual Capital Structure	2016-17 Dividend Payout Rate[2]
SaskPower	Debt Ratio	60.0% - 75.0%	75.7%	0%
SaskTel	Debt Ratio	<55.0%	47.9%	N/A
SaskEnergy	Debt Ratio	58.0% - 63.0%	58.6%	N/A
SGI CANADA[1]	Minimum Capital Test	242.0%	243.0%	N/A
SGC	Debt to EBITDA	25.0%	10.0%	80%
SOCO	Debt Ratio	60.0%	18.7%	0%
SaskWater	Debt Ratio	60.0%	44.7%	25%

[1] Minimum Capital Test (MCT) is an indicator of financial flexibility used in the insurance industry.

[2] Dividend payouts are approved by the CIC Board annually. While payouts are typically based on a percentage of earnings from operations, various factors may lead to an amount being set on an alternate basis. Where the rate is shown as "N/A" the CIC Board has approved a specific dollar amount rather than a percentage.

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, 2017)

Moody's Investor Service (Moody's)	Aaa
Standard & Poor's (S&P)	AA+
Dominion Bond Rating Service (DBRS)	AA

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;
- 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 CIC's subsidiary corporations' results to business plan targets;
- providing internal audit services to certain CIC 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.

Corporate Social Responsibility

CIC has long been committed to giving back to the community and the people of Saskatchewan. Our Corporate Sponsorship Policy supports organizations, events, programs, activities and projects across Saskatchewan that:

- align with our business, policies, programs and/or services;
- support education, emerging health or social needs, or culture and recreation; and/or
- benefit disadvantaged people, children and youth, Aboriginal people, or women in non-traditional roles.

Although cost restraint efforts impacted CIC's ability to provide sponsorships in 2016-17, CIC provided approximately $79,000 to support organizations across the province. In addition to sponsorships, CIC continues to fund the Aboriginal Bursary Program and also oversees SIIF, which finances the HeadStart on a Home program that provides low-cost loans to municipalities and investors to develop entry-level housing in our province. CIC remains committed to our community; we will continue to support and value the needs of Saskatchewan people.

In 2017, CIC and the four large Crowns renewed their commitment to STARS Saskatchewan for $10 million over the next five years. This follows the original commitment made in 2012 for $10 million.

Crown Social Responsibility

In our role of oversight of the Saskatchewan Crown corporations, we monitor Crown spending in the area of sponsorships and donations to ensure that all monies distributed by the Crowns are being used wisely and in a coordinated and provincially distributed fashion.

While CIC operations have minimal impact on the environment, we encourage and support Crown prioritization of research and development related to innovating and renewable technologies to help protect the environment, and monitor achievement of regulatory standards.

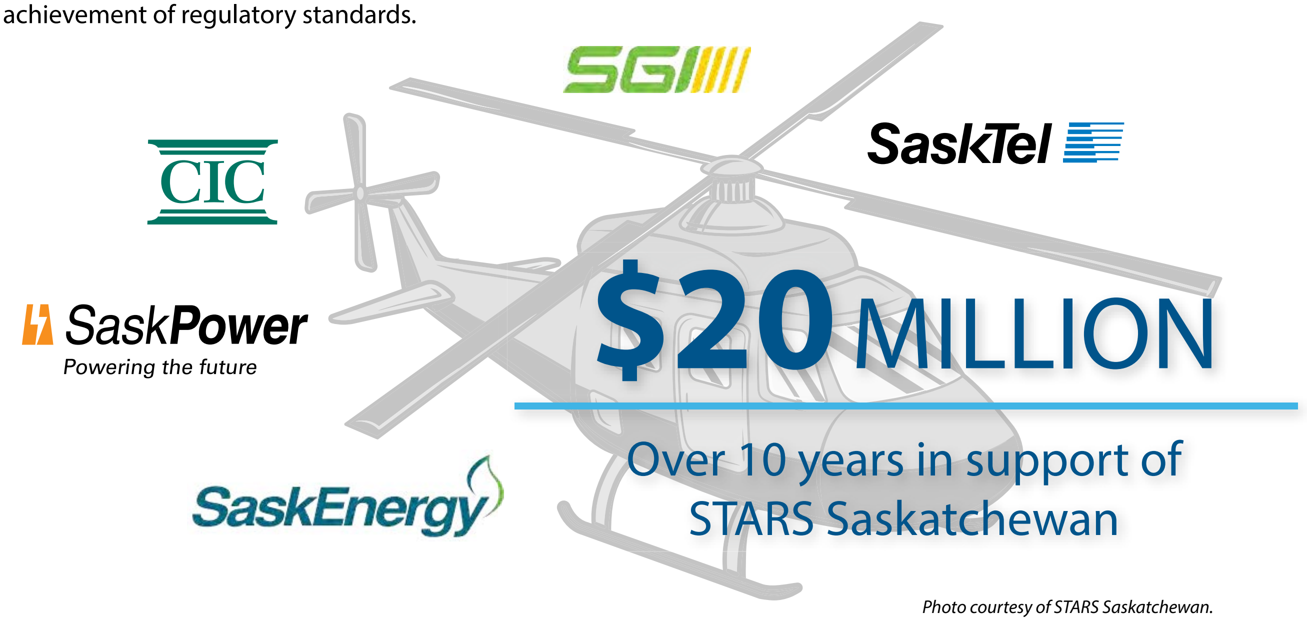


Photo courtesy of STARS Saskatchewan.

Corporate Performance

2016-17 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 2016-17 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 2016-17 are for the twelve-month period ended March 31, 2017. Comparative results for 2015-16 are presented on both a 12-month and 15-month basis as the CIC Crown sector changed its fiscal year end to March 31, previously December 31, in 2015-16.

Balanced Scorecard Perspectives

Shareholder	• To ensure the subsidiary Crowns' strategic plans reflect the priorities and policies of the shareholder. • To ensure the shareholder is provided with quality information and analysis to make decisions affecting the Crown sector.
Leadership & Policy	• To provide high quality advice to the Crown sector. • To identify, develop and promote best practices in management of the Crown sector. • To implement and manage programs to align with the shareholder priorities.
Financial	• To monitor the financial performance of the Crown sector. • To 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	• To ensure CIC is effectively structured to support the achievement of CIC's corporate priorities. • To achieve an engaged and enabled workforce. • To demonstrate accountability and strong leadership throughout CIC.

Statement of Reliability

I, Blair Swystun, 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, 2017.

Blair Swystun, CFA
President & CEO

Cindy Ogilvie

Cindy Ogilvie, CPA, CA
Vice President & CFO

Shareholder

Balanced Scorecard

Strategic Objective	Performance Measure		2015 Results	2015-16 Results[2]	2016-17 Target	2016-17 Results	2017-18 Target
Provide expertise and guidance to support the shareholder	S1	Performance assessment by CIC Board Chair[1]	● 4.17	4.17	≥4.0	● 4.92	≥4.0
Effectively provide shareholder direction to the Crown sector	S2	Performance assessment by CIC Board Chair[1]	● 4.0	4.0	≥4.0	● 4.80	≥4.0
	S3	Performance assessment by Crown Boards[1]	● 4.29	4.29	≥4.0	● 4.32	Establish new benchmark (ENB)

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

[2] Targets were not established for the three month period January 1- March 31, 2016 due to the fiscal year end change; therefore, performance indicators cannot be provided.

Performance Indicator Key:

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

2016-17 Performance Discussion

CIC conducts regular stakeholder surveys to assess its performance in fulfilling its roles with the CIC Board and Crown corporations. CIC received strong ratings from its stakeholder groups and continues to provide excellent support towards the goals and achievements of the CIC Board.

In 2016-17, CIC conducted a refresh of the Crown board and executive surveys to enhance the quality of information received; therefore, the results for these surveys cannot be accurately compared to past results due to the change in evaluation criteria. CIC will be deferring the surveys in 2017-18 to allow for the development and implementation of action plans to respond to the results, and to better align the survey timing with annual business planning.

Leadership and Policy

Balanced Scorecard

Strategic Objective	Performance Measure		2015 Results	2015-16 Results	2016-17 Target	2016-17 Results	2017-18 Target
Implement key strategic public policy and programs aligning with shareholder priorities	LP1	Crown sector efficiency initiatives – EBITDA/Revenue[1]	● 32.8%	32.7%	32.2%	● 31.6%	33.7%
	LP2	Oversight of public policy programs and initiatives	● 118%	N/A[3]	Achieve 100% of program deliverables	● 96%	Achieve 100% of program deliverables
Provide an effective performance management process to the Crown sector	LP3	Performance assessment by Crown executives[2]	● 4.04	4.04	≥3.75	● 3.51	ENB
Effectively provide policy and procedural advice and support to the Crown sector	LP4	Performance assessment by Crown executives[2]	● 3.98	3.98	≥3.75	● 3.84	ENB
Advance best practice standards within the Crown sector	LP5	Governance Rating: Benchmarking by the Conference Board of Canada (CBoC)	● Non-reporting year	Non-reporting year	Non-reporting year of three-year cycle	● Non-reporting year	Deferred due to fiscal restraint
	LP6	Reporting and Disclosure Rating of Crown sector 2014 Annual Reports – Benchmarking by the CBoC	● A-	A-	Non-reporting year of two-year cycle	● Non-reporting year	Deferred due to fiscal restraint

[1] EBITDA/Revenue= earnings before interest, taxes, depreciation, and amortization/total revenue.
[2] Based on a five-point rating scale.
[3] As a target was not established for the 15-month period of January 1-March 31, 2016, a percentage of program deliverables is not applicable.

Performance Indicator Key:

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

2016-17 Performance Discussion

The soft economy in Saskatchewan enhanced the focus on efficiency and collaboration in the Crown sector. Fiscal restraint continued through ongoing cost management. Efforts on cost restraint were focused on controllable spending while ensuring resources remained available for continued investment in growth opportunities. Though these efforts contributed positively to EBITDA, the sector was slightly below target due primarily to results at SaskPower that were impacted by lower demand due to mild weather and economic factors. This was partially offset by strong results at SaskTel, SaskEnergy and SGI CANADA. A detailed discussion of consolidated financial performance is provided in the Consolidated Management Discussion & Analysis (MD&A) beginning on page 41.

2016-17 Performance Discussion *(continued)*

CIC's public policy programs achieved notable success with the Aboriginal Cultural Awareness Program and Aboriginal Bursary Program both achieving annual targets. The HeadStart on a Home program gained a total of 196 homes under construction or completed in 2016-17, very near the target of 200. Despite Gradworks only achieving an 87per cent completion rate due to the program's wind down, overall public policy program results were substantially on target with a 96per cent completion rate.

The effectiveness of CIC's leadership, as measured by Crown executives, received generally strong results in 2016-17. The corporation rated favourably in terms of providing policy and procedural support to the Crown sector; however, ratings on the effectiveness of the performance management process were not as strong. The lower rating can be attributed to the pressures of fiscal restraint and considerable staff turnover, both of which impacted the efficiency and timeliness of CIC's communication with the Crowns. CIC will continue to work with the Crown sector to meet its needs. Valuable feedback was received from the Crowns that will assist CIC as it incorporates recommended improvements into its upcoming business plans.

CIC uses benchmarking to gain an external perspective on its application of best practice standards in governance, reporting and accountability. The CBoC Governance Index survey and the Reporting and Disclosure review on Crown sector annual reports have been deferred for 2017-18 due to fiscal restraint. CIC remains committed to alignment with best practices in both the private and public sector to maintain high standards on governance and disclosure, and will continue the CBoC reviews in the future.

Financial

Balanced Scorecard

Strategic Objective	Performance Measure		2015 Results	2015-16 Results	2016-17 Target	2016-17 Results	2017-18 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 GRF	● $262.2M	$297.2M	$204.0M	● $219.0M	$180M
	F2	Consolidated return on equity (ROE) target	● 5.9%	7.3%	9.5%	● 8.3%	8.7%
	F3	Consolidated debt ratio	● 62.3%	62.6%	62.7%	● 62.6%	62.8%

Performance Indicator Key:

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

2016-17 Performance Discussion

CIC measures and monitors the Crown sector's financial health to ensure sufficient financial capacity to provide the infrastructure, products and services that Saskatchewan people require to enjoy a high quality of life. All of these elements are present in the Crown Sector Strategic Priorities. A detailed discussion of consolidated financial performance is provided in the MD&A beginning on page 41, with a summary overview provided below.

CIC provided $219.0 million in dividends to the government, $15.0 million higher than budget. Increased dividends to CIC, primarily from SGI CANADA and CIC AMI, provided the capacity to increase CIC's payment to support government priorities such as education and health care.

Crown sector earnings were $398.6 million and resulted in an ROE of 8.3 per cent. ROE was off target primarily due to SaskPower earnings being $125.0 million below budget. The decrease in earnings was partially offset by higher earnings at SaskTel, SaskEnergy and SGI CANADA.

The consolidated debt ratio finished the year substantially in line with target. Despite the softened economy, the continued demand for Crown services, combined with rapidly changing technology and aging infrastructure, required borrowing to fund the Crown corporations' capital programs. Subsidiary Crown debt ratios are comparable to industry levels and are monitored to ensure sustainability.

Internal Operations

Balanced Scorecard

Strategic Objective	Performance Measure		2015 Results	2015-16 Results	2016-17 Target	2016-17 Results	2017-18 Target
Advance best practices in CIC's reporting and disclosure	IO1	Meet financial and performance reporting requirements	● Achieved	Achieved	Quarterly and annual reports released on time	● Achieved	Quarterly and annual reports released on time
	IO2	Reporting and Disclosure Rating for CIC's Annual Report: Benchmarking by the CBoC	● A-	A-	Non-reporting year of two-year cycle	● Non-reporting year of two-year cycle	Deferred due to fiscal restraint
Prudent Management of Corporate Resources	IO3	CIC Operating Expenditures	● 16% below budget	N/A[1]	Within budget	● Within Budget	Within budget
Promote employee effectiveness and corporate success	IO4	Employee Engagement	● Deferred due to spending restraint	Deferred due to spending restraint	≥Hay Norm	● 93.1% Hay Group Norm	Non-reporting year of two-year cycle
	IO5	Employee Enablement	● Deferred due to spending restraint	Deferred due to spending restraint	≥Hay Norm	● 115.8% Hay Group Norm	Non-reporting year of two-year cycle

[1] As a CIC Board approved budget was not developed for the period January 1 - March 31, 2016, an assessment of actual operating expenditures versus budget is not applicable.

Performance Indicator Key:

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

2016-17 Performance Discussion

The CBoC review of the 2016-17 annual report was deferred due to spending restraint. CIC continues to work to achieve best practice in financial reporting. Through the CBoC's review of the 2014 annual report, CIC received a rating of "A-" reflecting strength in public reporting. CIC continues to prioritize the implementation of areas identified for improvement in the previous review. The CBoC will conduct its next review on CIC's 2017-18 annual report with the results to be reflected in the 2018-19 balanced scorecard.

Consistent with government priorities, CIC is focused on efficiency and cost management. Operating expenditures for the twelve months ended March 31, 2017 were $11.0 million, $1.7 million below budget. This is primarily due to cost restraint activities and management of staff vacancies. A complete discussion of CIC's operating results can be found in the Separate MD&A beginning on page 145.

The employee survey conducted in 2016-17 indicates that CIC has an enabled workforce; however, engagement was below target at 93.1 per cent of the Hay Group North American Norm. Though both segments represent a decline from the last survey in 2013 when levels were 124.7 per cent and 97.3 per cent, respectively, they remain strong relative to the North American Norm and Pubic Sector Norm. To address the decline, CIC will continue to provide opportunities to support and engage employees, including investing in skills training and providing volunteer opportunities in the community. An integral part of CIC's strategy for success is training and development as well as engaging employees to identify creative solutions to continually enhance the corporate culture. Since receiving the survey results, CIC has requested additional feedback on low scoring areas. CIC management will use the survey results and any additional feedback to develop action plans specifically targeted towards those particular 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 chair (shareholder's representative) 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 chair (shareholder's representative) 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	Focus 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	LP3	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 & procedural advice and support to the Crown sector	LP4	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 corporations	LP5	Benchmarking governance to industry standards or best practices by an independent third party.
	LP6	Benchmarking financial reporting and disclosure to industry standards or best practices by an independent third 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 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	Release of financial and performance reporting is governed by policy and, in some cases, such as CIC's annual report, by legislation.
	IO2	Benchmarking to industry standards or best practices by an independent third party.
Prudent management of corporate resources	IO3	CIC is given the authority to make expenditures within the operating budget as approved annually by the CIC Board of Directors.
Promote employee effectiveness and corporate success	IO4	CIC employee engagement is benchmarked against other corporate entities and is monitored through surveys conducted semi-annually by an independent third party.
	IO5	CIC employee enablement is benchmarked against other corporate entities and is monitored through surveys conducted semi-annually by an independent third party.

Stakeholder Feedback Process

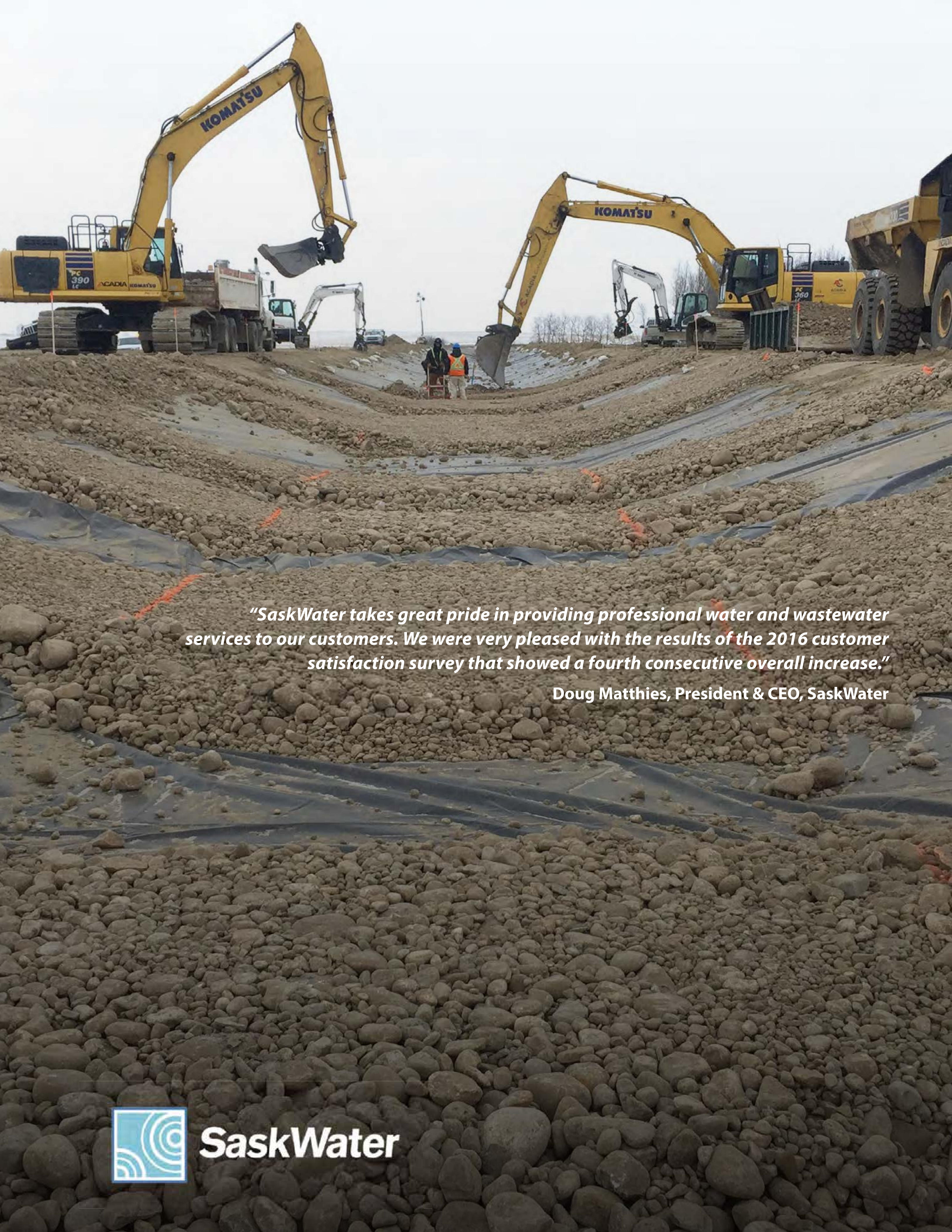
To maintain and improve the value it provides its stakeholders, CIC undertakes an annual stakeholder feedback process. Each stakeholder group is surveyed regarding the value of the functions performed by CIC. The key strategic stakeholder groups for CIC include:

- 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, the survey is administered by CIC's CEO. 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.



"SaskWater takes great pride in providing professional water and wastewater services to our customers. We were very pleased with the results of the 2016 customer satisfaction survey that showed a fourth consecutive overall increase."

Doug Matthies, President & CEO, SaskWater

Governance

Board of Directors

The CIC Board of Directors consists of elected government officials appointed to the Board by the Lieutenant Governor-in-Council pursuant to *The Crown Corporations Act, 1993*. The CIC 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. The Board is guided in this role by overall government direction provided in the annual provincial budget. In 2016-17, the government's strategic vision, "Keeping Saskatchewan Strong", sets a long-term path for maintaining a secure and stable base for economic growth and the quality of life it brings to 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:

- sets strategic priorities for the Crown sector;
- oversees and ensures that risks are properly managed and appropriate authorities and controls are in place;
- provides 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
- provides 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.

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. 38) that applies to the executives of CIC and all subsidiary Crown corporations. The chair of the CIC Board provides oversight of CIC's CEO and evaluates the annual performance of the 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 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 eight members on the CIC Board. The Board members are non-independent directors.

CIC Board Members

Honourable Joe Hargrave Chairperson

Minister of Crown Investments (CIC)
Minister Responsible for Saskatchewan Government Insurance (SGI)
Minister Responsible for the Saskatchewan Transportation Company (STC)
Minister Responsible for Saskatchewan Opportunities Corporation (SOCO)

Mr. Hargrave was originally elected to the Saskatchewan Legislature in 2016 in the constituency of Prince Albert Carlton.

In August 2016, Mr. Hargrave was appointed Minister of CIC and Minister Responsible for SGI, STC and SOCO.

Mr. Hargrave was an owner/operator of Riverside Auto Group for 14 years. He was also a manager with the Bank of Montreal for over 20 years, as well as a corrections officer for four years. He is involved in his community as a member of the Rotary Club, Board of Police Commissioners for Prince Albert and previous member of Community Futures.

Honourable Dustin Duncan Vice Chair

Minister of Energy and Resources
Minister Responsible for SaskEnergy
Minister Responsible for Saskatchewan Telecommunications (SaskTel)

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 and 2016 provincial elections.

In August 2016, Mr. Duncan was appointed Minister of Energy and Resources, Minister Responsible for SaskEnergy, and SaskTel, and member of the Board of Internal Economy. He previously served as Minister of Health, Minister of Environment, Minister Responsible for SaskEnergy and SaskWater, and Minister of Tourism, Parks, Culture and Sport. Prior to being named to Cabinet, Mr. Duncan served as chair of the Legislature's Standing Committee on Crown and Central Agencies.

Honourable Kevin Doherty

Minister of Finance

Mr. Doherty was elected to the Saskatchewan Legislature in November 2011 in the constituency of Regina Northeast and was re-elected in 2016.

He was appointed Minister of Finance in May 2015. Mr. Doherty has served as Minister of Advanced Education, Minister Responsible for SaskTel, Minister of Parks, Culture and Sport, and Minister Responsible for the Provincial Capital Commission.

Prior to November 2011, Mr. Doherty served as the Vice President of Corporate Relations at SaskPower, worked as a division director for Investors Group, the Director of Government Relations for Bayer Healthcare, and as the Manager of Provincial Relations for Glaxo Wellcome.

Nancy Heppner

Ms. Heppner was first elected to the Legislature in a 2007 by-election in the constituency of Martensville. She was re-elected in the 2007, 2011, and 2016 provincial elections.

From 2007-2010, Ms. Heppner served as the Minister of Environment, Minister Responsible for SaskWater, Saskatchewan Watershed Authority and the Water Appeal Board. In May 2012, she was appointed Minister of Central Services and Minister Responsible for the Public Service Commission and the Lean Initiative. From 2014-2016, Ms. Heppner served as Minister of Highways and Minister Responsible for the Saskatchewan Gaming Corporation. She is currently a member of the Standing Committee on Intergovernmental Affairs and Justice.

Ms. Heppner graduated from the Saskatoon Business College in 1994, has worked as a bookkeeper and has managed a family-owned business in Rosthern until starting her own business in 1999.

Larry Doke

Mr. Doke was first elected to the Legislature in 2011 in the constituency of Cut Knife – Turtleford and was re-elected in 2016.

He served as a member of the Treasury Board and Investment Board; a member of the Standing Committee on the Economy; and vice chair of the Economy Caucus Policy Committee. Mr. Doke continues to serve as deputy chair for the Standing Committee on Public Accounts; Legislative Secretary to the Minister of Highways and Infrastructure; and is the Saskatchewan delegate to Pacific NorthWest Economic Region (PNWER).

Mr. Doke has previously been a business owner. He served 20 years as a municipal councilor for both city and rural municipalities, and he is committed to volunteering in his community.

Laura Ross

Ms. Ross was first elected MLA for the Regina Rochdale constituency in 2007 and was re-elected in 2011 and 2016.

Ms. Ross was appointed Legislative Secretary to the Minister of Health. She was also appointed a term as Minister of Government Services and is currently serving terms on the Premier's Commendation Awards Committee; caucus Management Committee; and Board of Internal Economy. She is also a board member of SaskBuilds.

For more than 20 years Ms. Ross was a licensed realtor in Regina specializing in residential properties; she has also owned a catering company. Ms. Ross is a founding member of the Saskatchewan Chapter of Equal Voice and serves as a role model and mentor to young women interested in professional and political lives. She was instrumental in the development of Regina's first Habitat for Humanity Women's Build project in 2011 and participated on a committee to spearhead the Habitat for Humanity Mountie House.

Muhammad Fiaz

Mr. Fiaz was elected MLA for Regina Pasqua in the 2016 provincial election.

Mr. Fiaz currently serves as member of the Standing Committee on Human Services.

An active participant in the Regina community, Mr. Fiaz volunteers for Humanity First. He is also a successful business owner for over ten years and has previously worked as a road safety consultant for SGI.

Steven Bonk

Mr. Bonk was elected as MLA for Moosomin in 2016.

Mr. Bonk currently serves as Legislative Secretary to the Minister of the Economy. He is a member of the Standing Committee on the Economy, and was previously a member of the Public Accounts Committee.

Mr. Bonk has extensive experience in the domestic and international agribusiness fields, working on four continents as a consultant in agricultural management and policy development. He has also worked as an advisor on internal trade and market access. Mr. Bonk is active in his local community as a member on boards and committees, as well as the International Committee of both the Canadian Western Agribition and Canada's Farm Progress Show.

Board of Directors – Tenure

During 2016-17, a total of 15 board meetings were held by the CIC Board.

- CIC Board members are provided with meeting materials in advance of meetings.
- As a standing agenda item, the Board holds 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 Joe Hargrave	Chair	August 23, 2016 to March 31, 2017[1]
Honourable Dustin Duncan	Vice Chair	August 23, 2016 to March 31, 2017[1]
Honourable Kevin Doherty	Member	June 11, 2014 to May 21, 2015 and August 20, 2015 to March 31, 2017[1]
Nancy Heppner	Vice Chair Member	June 11, 2014 to August 23, 2016 August 23, 2016 to March 31, 2017[1]
Larry Doke	Member	May 21, 2015 to March 31, 2017[1]
Muhammad Fiaz	Member	August 23, 2016 to March 31, 2017[1]
Laura Ross	Member	August 23, 2016 to March 31, 2017[1]
Steven Bonk	Member	March 2, 2017 to March 31, 2017[1]
Honourable James Reiter	Member Chair	May 21, 2015 to August 8, 2016 August 8, 2016 to August 23, 2016
Honourable Gordon Wyant, Q.C.	Member	June 5, 2014 to August 23, 2016
Don McMorris	Vice Chair Chair	May 23, 2012 to June 5, 2014 June 5, 2014 to August 8, 2016
Warren Kaeding	Member	August 23, 2016 to March 2, 2017
Kevin Phillips	Member	June 5, 2014 to August 23, 2016

[1] To the end of the reporting period.

CIC Executive

Doug Kosloski, Q.C.
Senior Vice President &
General Counsel
Human Resource Policy,
Governance & Legal

Blair Swystun, CFA
President & CEO

Brian Gyoerick
Executive Director, Crown
Sector & CIC Human Resources

Joanne Johnson
Executive Director, Communications

Cindy Ogilvie, CPA, CA
Vice President & CFO
Finance & Administration

Doug Kosloski is a lawyer and has degrees in Finance and Economics. He has over 21 years of service with the Government of Saskatchewan, joining CIC in 1998. Doug is a member of a number of boards and investment funds on behalf of CIC. In 2014, Doug was appointed Queen's Counsel.

Blair Swystun is a Chartered Financial Analyst charter holder and has a Masters in Business Administration. He has more than 35 years of government experience and has been at CIC since 1996, most recently in the position of Senior Vice President and Chief Financial Officer before assuming the role of President & CEO in 2014. Blair's public service career also includes various positions at Saskatchewan Finance. Blair is a member of numerous boards and investment funds.

Cindy Ogilvie is a Chartered Professional Accountant, and Chartered Accountant. She has over 23 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 a member of the CIC AMI Board on behalf of CIC.

Organizational Structure

Operating Divisions

At year-end CIC had 45 positions within its three divisions:

President's Office • President • Communications • Human Resources	The President's Office is responsible for the overall direction of CIC. It also includes the communications and human resources units. The division: • provides support and leadership in Crown communications through delivering policy advice and information sharing; • facilitates internal communications at CIC; • supports a high functioning organization by delivering human resource support and leadership; and • undertakes strategic initiatives related to the Crown sector.
Finance & Administration • Accounting • Internal Audit • Performance Management & Financial Analysis • Investments	The Finance & Administration Division provides financial reporting and analysis and recommendations to the CIC Board on a wide range of Crown sector 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; • corporate administration services and information management; and • management and divestment of existing CIC AMI investments.
Human Resource Policy, Governance & Legal • Legal • Corporate Secretariat • Crown Sector Human Resources	The Human Resource Policy, Governance & Legal 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 services and procedural advisory services to the Crown corporation boards, and director training and development; and • oversight of public policy initiatives including, Saskatchewan Immigrant Investor Fund and the Saskatchewan Rate Review Panel.

Management Organization

President's Division

- Blair Swystun, President and CEO
- Ron Dedman, Vice President, Special Projects *(Secondment)*
- Clay Reich, Executive Director, Special Projects
- Joanne Johnson, Executive Director, Communications

Human Resource Policy, Governance & Legal Division

- Doug Kosloski, Senior Vice President & General Counsel
- Brian Gyoerick, Executive Director, Crown Sector & CIC Human Resources
- Wendy Dean, Director, Corporate Secretariat

Finance & Administration Division

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

"Innovative solutions have allowed us to be more flexible in how we serve our growing customer base. Mobile compressors allow us to provide compression capacity where it's required to meet peak load demands on the coldest winter days or during maintenance at a traditional stationary compressor unit. While we're moving 48 per cent more natural gas than five years ago, we continue to focus on providing a safe and reliable service for Saskatchewan."

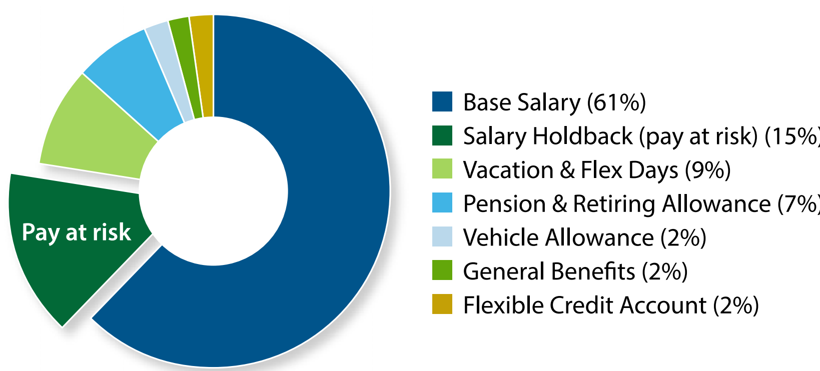
Ken From, President & CEO, SaskEnergy

Executive Compensation

Independent & Objective

A Crown Sector Executive Compensation Framework (the "Framework") was implemented in 2006 at the direction of the CIC Board. To maintain a meaningful degree of 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.

2016-17 Executive Compensation



Framework

CIC has designed and administers executive compensation consistent with the CIC Board and Cabinet's Crown Sector Executive Compensation Framework and 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 50^{th} percentile of market comparators (i.e. the middle of the market).

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
- Anti-Harassment Policy

Succession Planning

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 objectives; and
- a Phased Retirement Policy to facilitate knowledge transfer from employees planning to retire to those employees who will take on their responsibilities.

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, including all executive members, 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 2016-17 were:

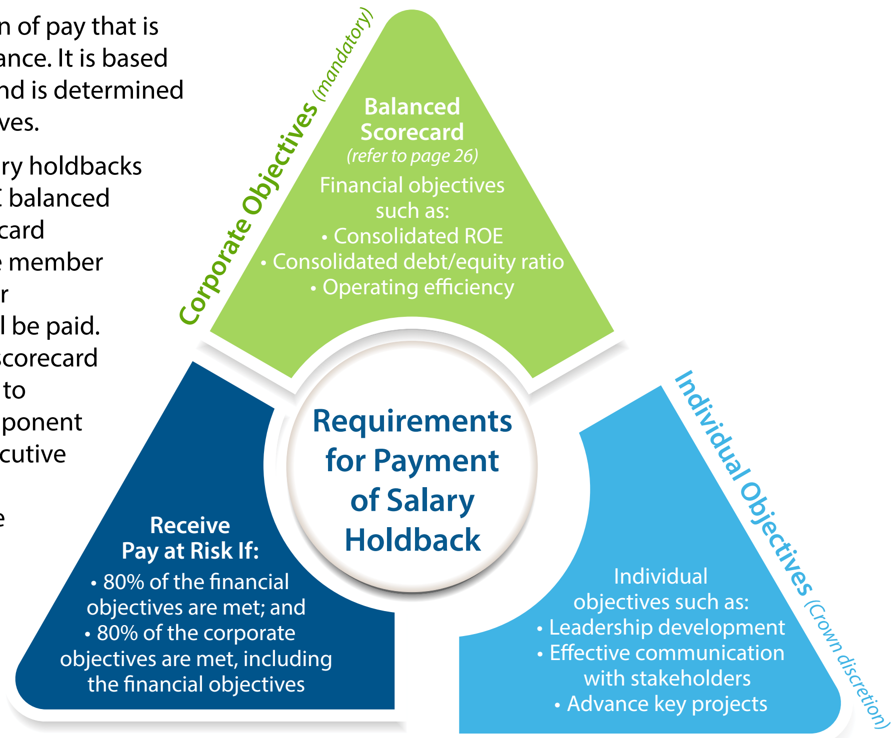
Position	Base Salary Range
CEO	$346,440 - $433,049
Senior Executive 1	$238,918 - $298,648
Senior Executive 2	$199,070 - $248,838

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 www.cicorp.sk.ca. The CIC Board reviews the details of these expenditure reports annually.

Eligibility for Payment of Salary Holdback[1]

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.



Salary Holdback Requirements *(mandatory)*

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 balanced scorecard targets, but cannot be less challenging than the 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 senior vice president/vice president occurs regarding demonstrated results on both a corporate and individual basis. The CEO determines a final performance score for each senior vice president/vice president. Similarly, the CIC Board chair reviews and discusses the CEO's annual performance results.

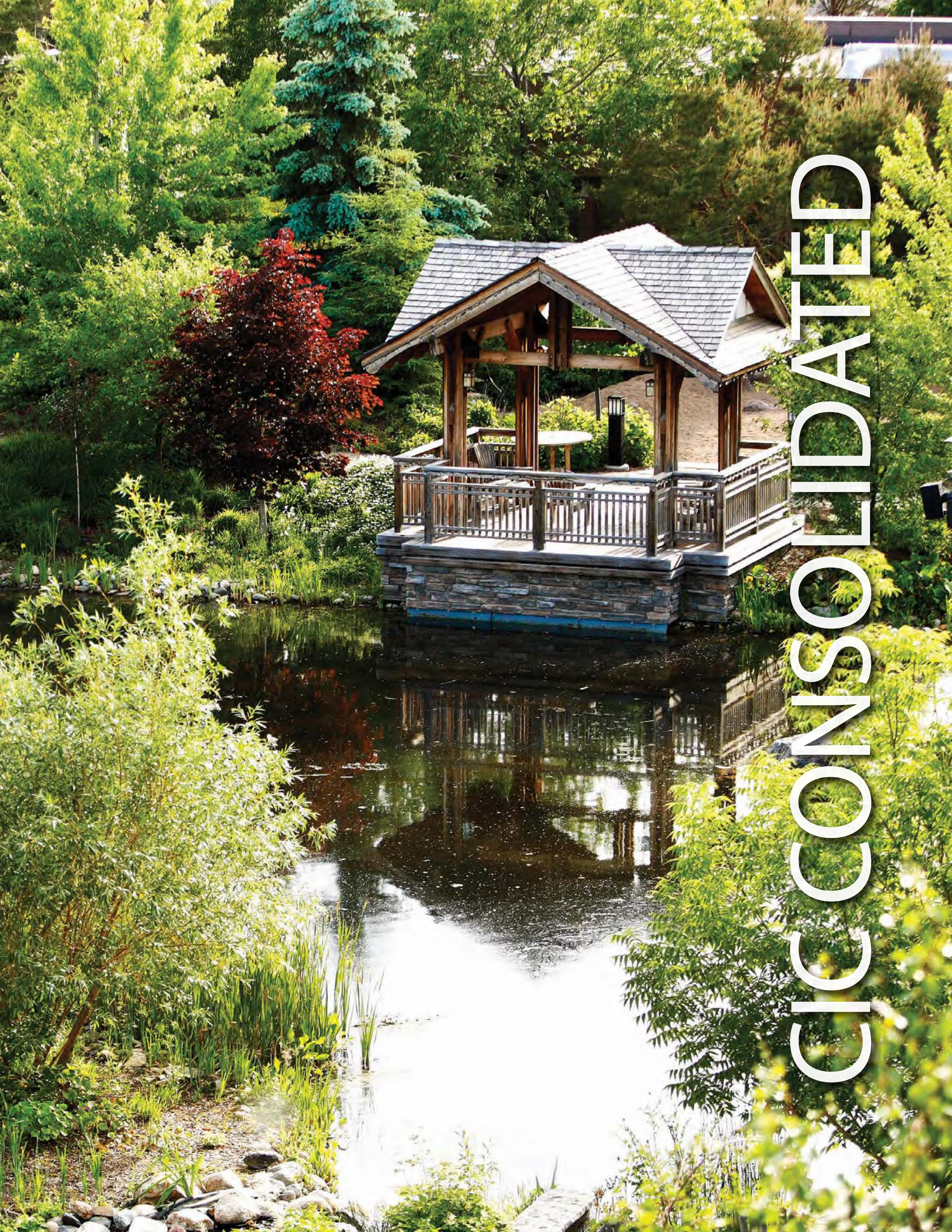
The CIC Board annually reviews and approves CIC's executive performance, including targets for the payment of salary holdbacks.

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%

[1] Salary holdback refers to short-term incentives (STIs) outlined in previous annual reports.

ORGANIZATIONAL OVERVIEW


CICCONSOLIDATED

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 2016-17 financial results should be read in conjunction with the audited consolidated financial statements. While this Management Discussion & Analysis (MD&A) is as complete as possible, CIC is bound by confidentiality agreements with its investment partners. In some cases, these agreements limit the information that CIC can release. 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 of 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 2016-17 results, this 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 a number of factors could cause actual results to differ materially from estimates, predictions and assumptions. Factors that can influence performance include, but are not limited to: weather conditions, commodity markets, general economic and 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.

Change of Year End

The Corporation was directed by the provincial government to change its fiscal year end to March 31 to coincide with that of the Province of Saskatchewan. Information included in the following discussion reflects the second complete fiscal period consisting of the twelve months ended March 31, 2017, as compared to the twelve month period ended March 31, 2016. The following descriptions are used throughout the MD&A for the periods noted below:

For the Statement of Comprehensive Income and Cash Flows date	The description is for period ended
2012, 2013, 2014	Twelve months ended December 31
2015-16	Twelve months ended March 31, 2016
Fifteen months 2015-16	Fifteen months ended March 31, 2016
2016-17	Twelve months ended March 31, 2017

For the Statement of Financial Position date	The description is as at
2012, 2013, 2014	December 31
2015-16	March 31, 2016
2016-17	March 31, 2017

CIC CONSOLIDATED


SaskTel
"Communications services are becoming increasingly critical in today's world and SaskTel is committed to building the advanced networks Saskatchewan people rely on to reach out and grow their businesses, meet new people, and learn new things. As Saskatchewan's leading provider of communications services, SaskTel is here to connect you to your world."
Ron Styles, President & CEO, SaskTel

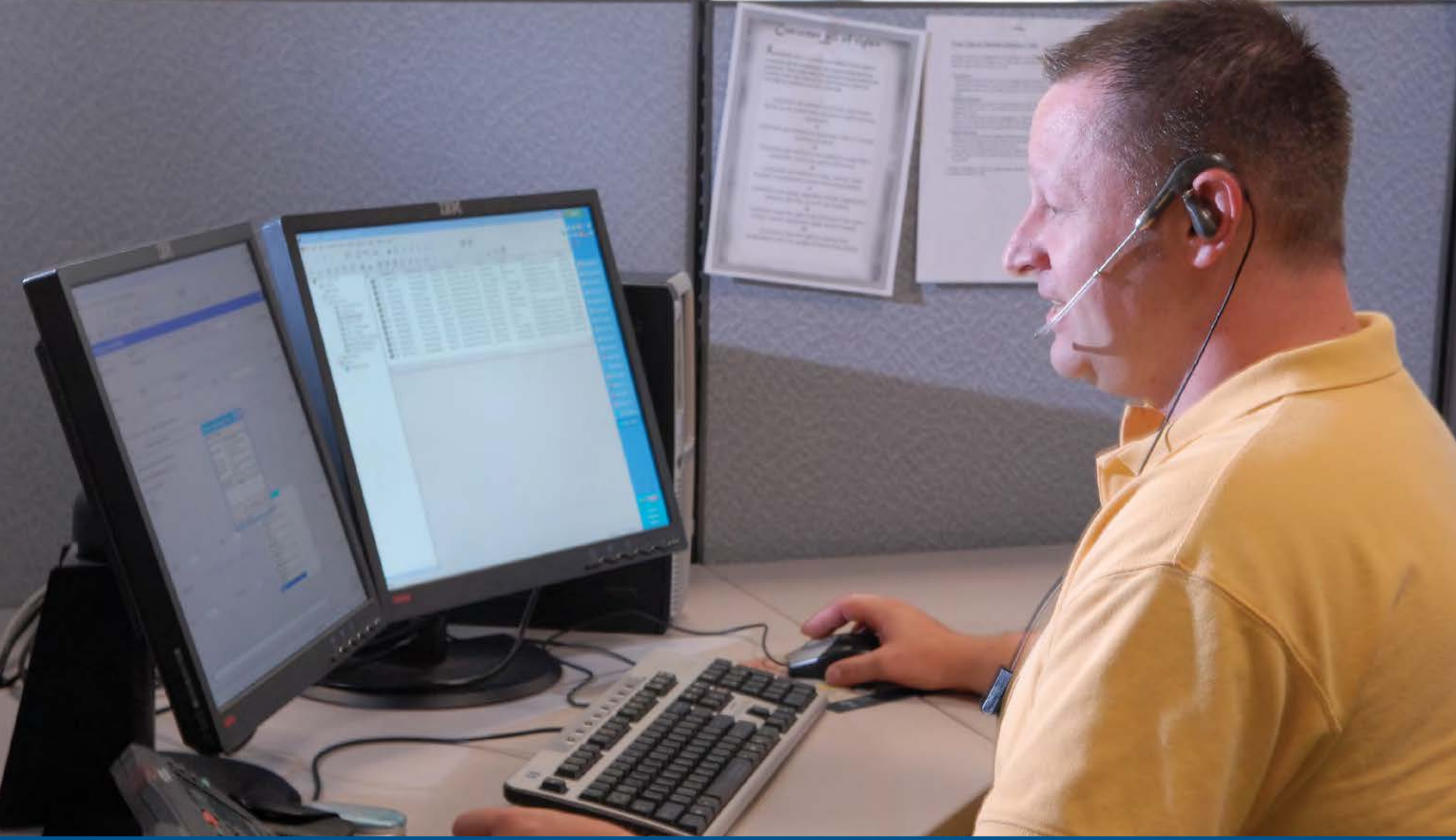
A Closer View of CIC's Holdings

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 partnerships 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)	Gaming
	Investment and Economic Growth:
CIC Asset Management Inc. (CIC AMI)	Investments
Saskatchewan Opportunities Corporation (SOCO)	Research Parks
Saskatchewan Immigrant Investor Fund (SIIF)	Construction loans
	Transportation:
Saskatchewan Transportation Company (STC)	Passenger and freight transportation

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. These annual reports can be found through CIC's website at www.cicorp.sk.ca.

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.



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, STC, SaskWater, and SOCO);
- financial results for CIC's wholly-owned subsidiaries (SIIF, CIC AMI, First Nations and Métis Fund Inc., Gradworks Inc., and CIC Economic Holdco Ltd.);
- dividends 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).

CIC Separate Financial Statements

Separate earnings represent CIC's earnings as the shareholder of the Saskatchewan commercial Crown sector. These statements assist CIC in determining its capacity to pay dividends to the GRF. The separate statements have been prepared in accordance with IFRS other than consolidating the activities of its subsidiaries. These statements are intended to isolate the Corporation's cash flow, capital support for certain subsidiary corporations, and public policy expenditures. These financial statements include:

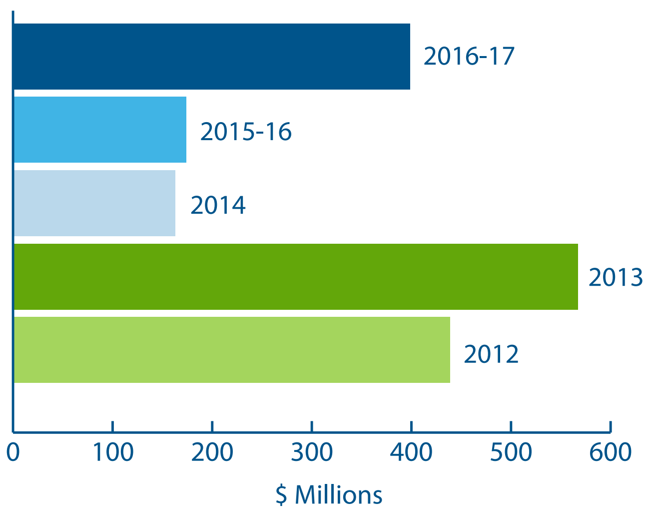
- dividends from subsidiary corporations and investments;
- dividends paid by CIC to the GRF;
- grants by CIC to subsidiaries; and
- CIC's operating results and public policy expenditures.

CIC's 2016-17 Financial Highlights

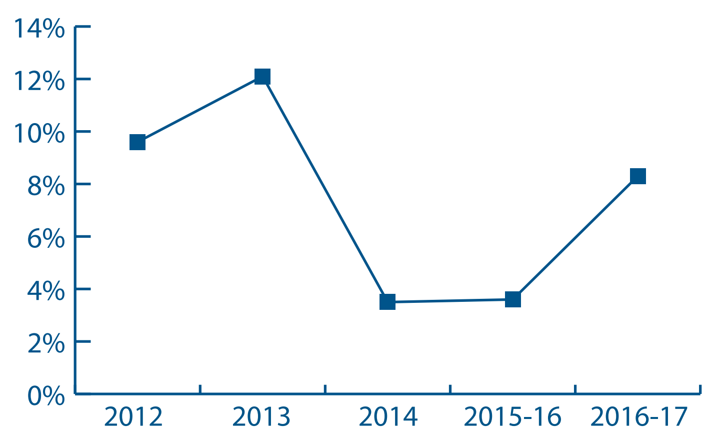
(millions of dollars)	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
CIC Consolidated						
Earnings	**$ 398.6**	$ 173.6	$ 342.0	$ 162.7	$ 566.9	$ 438.6
Assets	**18,065.3**	17,402.4	17,402.4	16,542.3	15,136.8	13,092.0
Debt[1]	**9,037.5**	8,671.3	8,671.3	7,716.1	6,624.0	5,709.7
Dividend to the GRF	**219.0**	297.2	297.2	206.0	361.4	280.1
Debt Ratio	**62.6%**	62.6%	62.6%	60.1%	56.3%	52.5%
Return on Equity	**8.3%**	3.6%	7.3%	3.5%	12.1%	9.6%
CIC Separate						
Dividend Revenue	**$ 157.4**	$ 153.8	$ 184.4	$ 173.6	$ 202.5	$ 346.4
Earnings	**132.1**	126.9	153.5	149.7	330.4	314.0
Cash Return on Equity	**16.4%**	20.3%	20.5%	13.3%	21.7%	16.1%

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

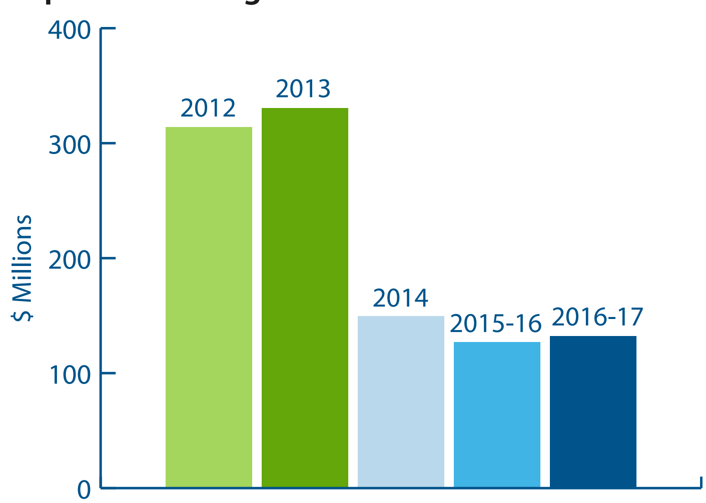
Consolidated Earnings



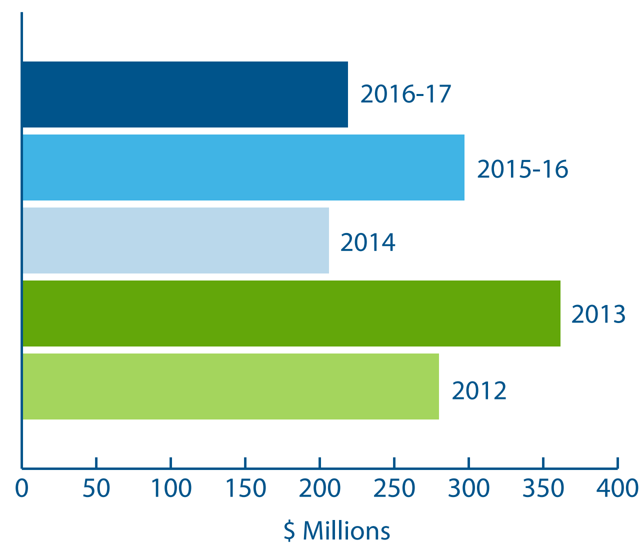
Consolidated Return on Equity



Separate Earnings



Dividends to the GRF



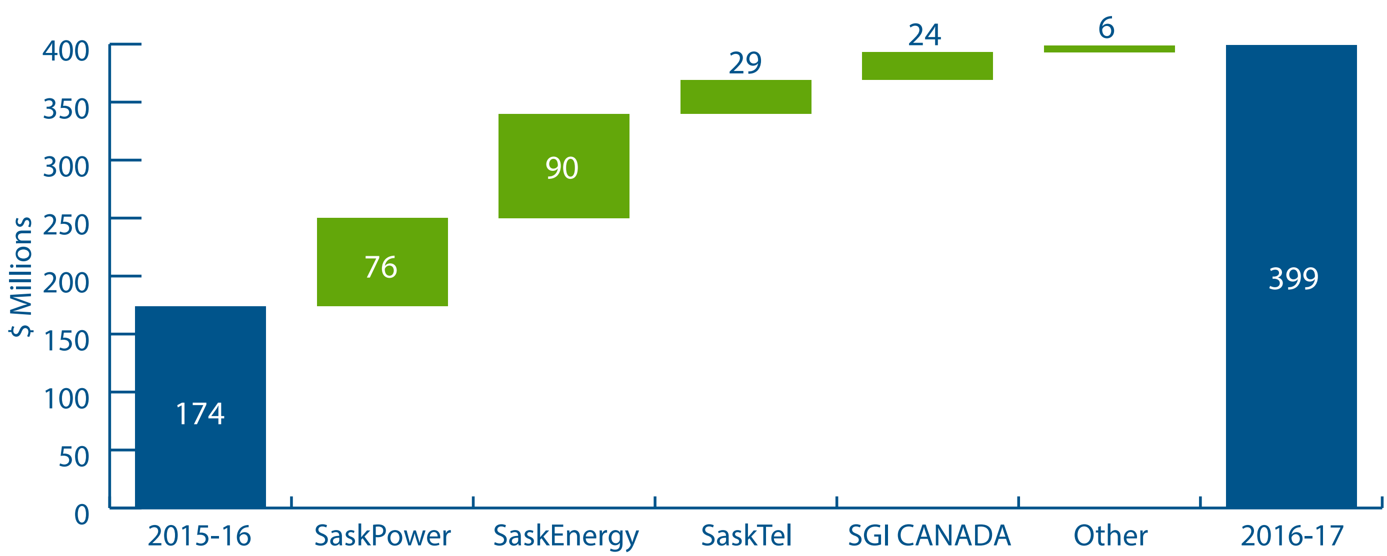
Analysis of Financial Results

Comparison of 2016-17 Results with 2015-16 Results

Consolidated Earnings Comparison (millions of dollars)	**2016-17**	2015-16	Fifteen months 2015-16	2014	2013	2012
SaskPower	**$ 56.3**	$ (19.3)	$ 25.9	$ 59.6	$ 113.8	$ 135.5
SaskEnergy	**145.6**	55.7	110.9	(33.0)	78.9	106.8
SaskTel	**134.8**	105.9	126.7	76.4	90.8	106.3
SGI CANADA	**65.2**	41.2	84.5	40.7	39.2	82.2
SGC	**24.4**	26.8	32.7	24.9	20.5	26.3
SaskWater	**6.5**	5.6	7.3	5.5	3.5	3.0
CIC AMI	**(3.0)**	3.7	4.6	13.0	4.7	(4.3)
SOCO	**0.5**	0.8	1.6	2.3	2.4	4.3
STC	**(5.3)**	1.2	0.3	(0.4)	(0.1)	(1.0)
SIIF	**(1.4)**	(2.3)	(2.4)	(4.0)	1.2	(0.2)
ISC	**-**	-	-	-	9.7	21.2
CIC (separate)	**132.1**	126.9	153.5	149.7	330.4	314.0
Other[1]	**(157.1)**	(172.6)	(203.6)	(172.0)	(128.1)	(355.5)
Consolidated Earnings	**$ 398.6**	$ 173.6	$ 342.0	$ 162.7	$ 566.9	$ 438.6

[1] Includes First Nations and Métis Fund, Gradworks Inc., 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.

Changes in Consolidated Earnings



Consolidated CIC net earnings for 2016-17 were $398.6 million (2015-16 – $173.6 million) or $225.0 million higher than the same period in 2015-16. The increase was primarily related to increased earnings at SaskPower, SaskEnergy, SaskTel and SGI CANADA.

Significant Events Impacting 2016-17 Consolidated Results

During 2016-17, the following significant events impacted the Corporation's consolidated results:

1. **Unrealized Market Value Adjustments on Derivatives**
   The natural gas price volatility that was experienced in 2016-17 resulted in significant fluctuations in the fair value of derivative financial assets and derivative financial liabilities. These fluctuations resulted in unrealized gains of $75.3 million (Note 8(b) in the consolidated financial statements). The significant adjustment is due to the settlement of natural gas contracts and an increase in the forward price of natural gas.
2. **Capital Expenditures**
   During 2016-17, the Corporation spent $1,437.3 million on capital expenditures related to investing in aging infrastructure and capital projects to meet the demand for growth. Additional debt of $366.2 million was obtained in 2016-17 primarily to fund a portion of the capital expenditures.

Accounting Policy Developments Impacting Future Consolidated Results

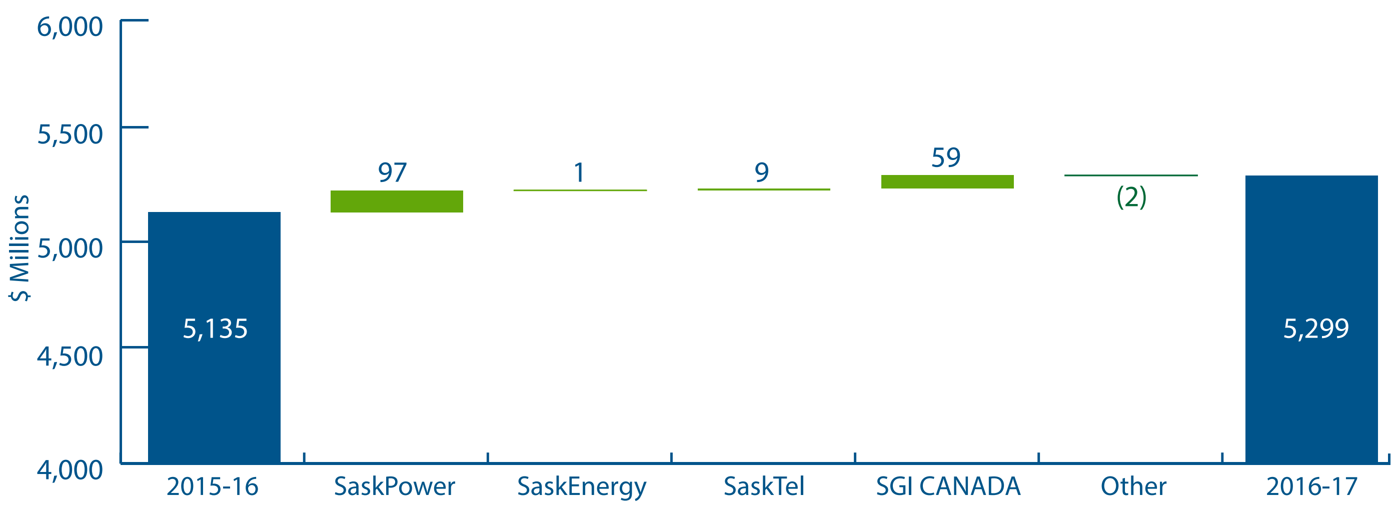
As disclosed in Note 4(t) in the consolidated financial statements, a number of new standards and amendments to standards and interpretations are not yet effective for the period ended March 31, 2017, and have not been applied in preparing the consolidated financial statements. Note 4(t) includes management's assessment of the potential impacts on the consolidated financial statements known at this time.

Analysis of 2016-17 Consolidated Revenues and Expenses

Revenue

Revenue was $5,298.9 million for 2016-17 (2015-16 – $5,135.0 million), an increase of $163.9 million. Increased revenues at SaskPower and SGI CANADA were the primary drivers of the increase.

Changes in Revenue



SaskPower revenue increased by $97.5 million due to increased Saskatchewan electricity sales. SaskPower had a 5.0 per cent system-wide average rate increase effective July 1, 2016, as well as an additional system-wide average rate increase of 3.5 per cent effective January 1, 2017. Higher sales volumes from large industrial and oilfield customers also contributed to the additional revenue. The increase in electricity sales was partially offset by lower revenue from customer contributions due to a slow down of the provincial economy.

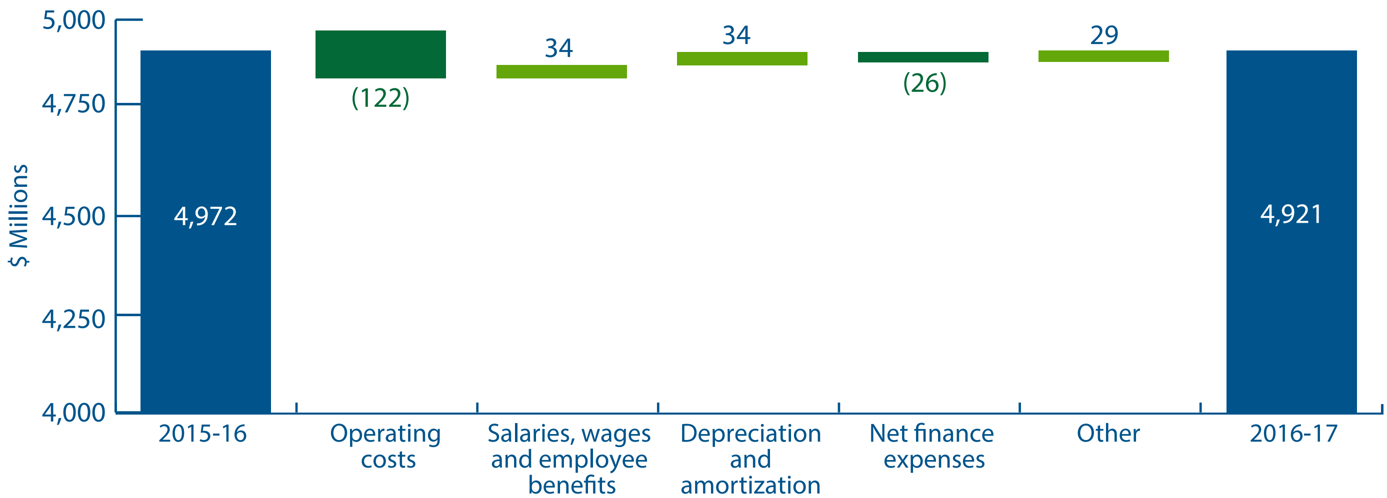
SGI CANADA revenue increased by $59.4 million as a result of increased premiums in Saskatchewan, Alberta and Ontario. Saskatchewan revenue increased due to price increases as a result of higher rates that included inflation in personal lines and agriculture. Alberta experienced customer growth in personal lines and personal auto insurance and Ontario experienced customer growth in personal auto insurance.

Analysis of 2016-17 Consolidated Revenues and Expenses *(continued)*

Operating and Net Finance Expenses

Total operating and net finance expenses for 2016-17 were $4,920.9 million (2015-16 – $4,971.8 million), a decrease of $50.9 million from the same period in 2015-16. This was due to decreased operating costs and net finance expenses partially offset by increased salaries, wages and employee benefits, depreciation and amortization, and other expenses.

Changes in Total Operating and Net Finance Expenses



Operating Costs

Operating costs decreased by $121.9 million to $2,454.4 million for 2016-17 (2015-16 – $2,576.3 million) primarily due to decreases at SaskEnergy, SaskPower and SaskTel partially offset by an increase at SGI CANADA.

SaskEnergy operating costs decreased primarily due to favourable non-cash market value adjustments on natural gas derivative instruments and natural gas in storage and lower prices on natural gas purchases.

SaskPower operating costs decreased due to favourable non-cash market value adjustments on natural gas derivative instruments partially offset by an increase in maintenance costs at generation facilities.

SaskTel operating costs decreased due to cost restraint initiatives resulting in a reduction in spending on contracted services, materials, and advertising. Savings were also realized with the exit of SaskTel's Satellite internet services, which were replaced with SaskTel Fusion. These savings were partially offset by increased wireless acquisition costs as the average cost per subsidized wireless device continues to rise due to aggressive competition, regional pricing and the increased cost of wireless devices.

These decreases were partially offset by an increase in operating costs at SGI CANADA. This was primarily due to increased storm claims in Alberta, increased auto claims and commercial lines losses in Ontario, and increased personal lines losses in British Columbia. Higher broker commissions due to premium growth also contributed to the increase.

Salaries, Wages and Employee benefits

Salaries, wages and employee benefits increased by $34.1 million to $953.4 million for 2016-17 (2015-16 – $919.3 million). The increase is primarily due to an increase in the number of maintenance hours required to perform overhauls at SaskPower's generation facilities compared to the prior period.

Analysis of 2016-17 Consolidated Revenues and Expenses *(continued)*

Changes in Total Operating and Net Finance Expense *(continued)*

Depreciation and Amortization

Depreciation and amortization increased $33.8 million to $823.0 million for 2016-17 (2015-16 – $789.2 million) primarily due to an increase at SaskPower attributable to ongoing transmission, distribution, and generation capital expenditures. In addition, following the completion of an internal depreciation study at SaskPower in 2015-16, the estimated useful lives of certain asset components were changed. The changes in estimates were applied prospectively effective April 1, 2016, and resulted in an $11.0 million increase to depreciation expense for 2016-17.

Net Finance Expenses

Net finance expenses decreased $25.7 million to $453.6 million for 2016-17 (2015-16 – $479.3 million) primarily due to a decrease at SGI CANADA partially offset by an increase at SaskPower.

SGI CANADA net finance expenses decreased due to strong equity investment returns as opposed to negative equity investment returns experienced in 2015-16.

SaskPower net finance expense increased primarily due to additional interest on higher long-term debt levels required to finance capital expenditures and decreased interest capitalized during the year as a result of a reduction in construction in progress.

Other Expenses

Other expenses increased $28.7 million to $236.4 million for 2016-17 (2015-16 – $207.7 million). This was primarily due to impairment losses recognized at SaskEnergy and STC, partially offset by an impairment reversal on CIC's investment in ISC.

The continued low natural gas price environment adversely affected non-core storage activities at SaskEnergy leading to a $26.0 million impairment of non-core storage facilities. On March 22, 2017, the Government of Saskatchewan announced the wind up of STC. This resulted in impairment losses on STC's property, plant and equipment of $14.7 million. These impairments were partially offset by a $12.8 million impairment reversal on CIC's investment in ISC as a result of ISC's improved share price.

Analysis of 2016-17 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 2016-17 was 62.7 per cent.

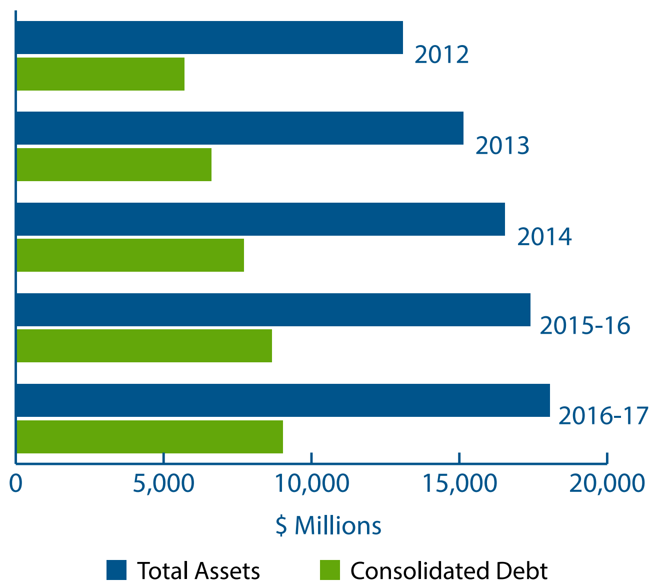
For further information on the Corporation's approach to capital management, refer to Note 23 of the audited consolidated financial statements.

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

	2016-17	2015-16	2014	2013	2012
Consolidated debt	**$9,037.5M**	$8,671.3M	$7,716.1M	$6,624.0M	$5,709.7M
Consolidated debt ratio	**62.6%**	62.6%	60.1%	56.3%	52.5%
Consolidated debt ratio target	**62.7%**	61.6%	57.1%	57.9%	60.3%

Debt on a consolidated basis was $9,037.5 million at March 31, 2017 (2015-16 – $8,671.3 million) or an increase of $366.2 million from March 31, 2016. The increase is primarily attributed to higher debt at SaskPower ($347.7 million), SaskTel ($22.6 million), and SaskEnergy ($42.2 million). The increase in debt was primarily required to fund a portion of the $1,437.3 million in 2016-17 capital expenditures needed to sustain infrastructure and meet the demand for growth. Debt decreased by $54.8 million at SIIF due to principal loan repayments to the Government of Canada pursuant to the Immigrant Investor Program (IIP).

Over the last five periods, consolidated debt has increased $3,327.8 million in support of increased assets of $4,973.3 million.



Capital Spending

Capital spending (property, plant and equipment, investment property and intangible asset purchases) decreased $62.7 million to $1,437.3 million for 2016-17 (2015-16 – $1,500.0 million). Major capital expenditures included:

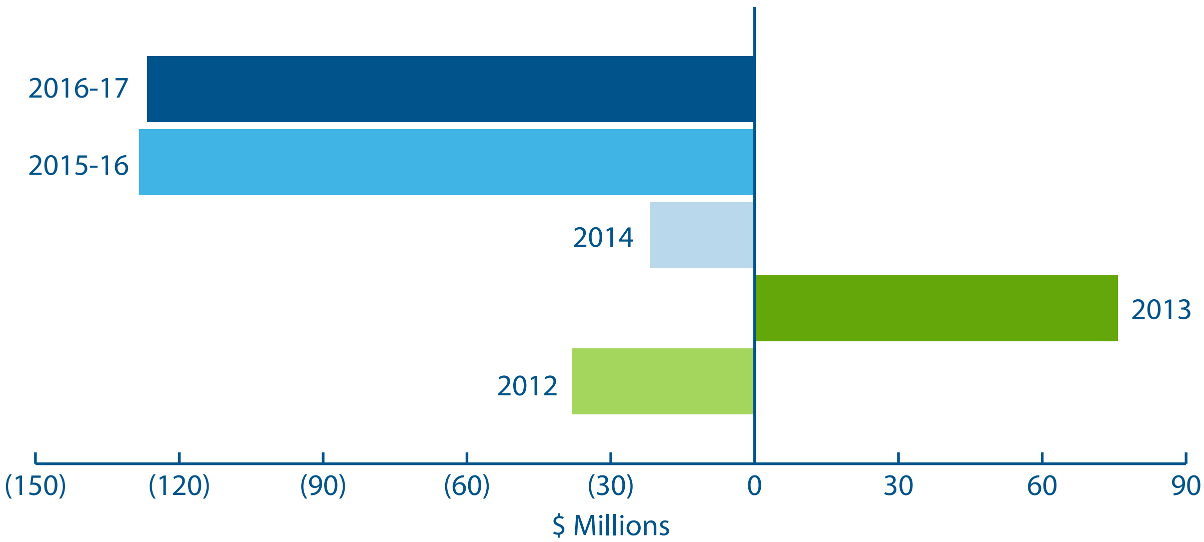
- $885.9 million at SaskPower related to connecting customers to the electric system, sustaining generation facilities and sustaining and expanding transmission and distribution infrastructure;
- $316.1 million at SaskTel on investments in 4G, LTE and Wi-Fi networks, Fibre to the Premises (FTTP), expanding and enhancing infrastructure, and data centre functionality;
- $197.9 million at SaskEnergy primarily related to customer connections, system expansions to meet residential and industrial customer growth and spending to ensure the safety and integrity of its extensive distribution and transmission systems; and
- $24.1 million at SaskWater primarily related to system upgrades, infrastructure management of existing assets, and system expansions to supply new customers within the potash industry and existing customers with growing demands.

Analysis of 2016-17 Consolidated Capital Resources *(continued)*

Operating, Investing and Financing Activities

Cash and cash equivalents for 2016-17 decreased $126.7 million. A more detailed discussion of cash flows from operating, investing and financing activities is included on the pages following.

Net Change in Cash and Cash Equivalents



Cash Flow Highlights (millions of dollars)	**2016-17**	2015-16	Fifteen months 2015-16
Net cash from operations	**$ 1,181.9**	$ 1,001.9	$ 1,126.0
Net cash used in investing activities	**(1,383.5)**	(1,461.8)	(1,777.0)
Net cash from financing activities	**74.9**	331.5	545.2
Change in cash and cash equivalents	**$ (126.7)**	$ (128.4)	$ (105.8)

Operating Activities

Cash from operations increased by $180.0 million to $1,181.9 million for 2016-17 (2015-16 – $1,001.9 million). The increase is primarily a result of a $225.0 million increase in net earnings and a $122.6 million increase in non-cash working capital balances due to increased accounts payable at SaskPower. These increases were partially offset by a $156.1 million decrease in adjustments to reconcile net earnings to cash from operating activities due primarily to favourable non-cash market value adjustments on natural gas derivative instruments and natural gas in storage.

Investing Activities

Cash used in investing activities decreased $78.3 million to $1,383.5 million for 2016-17 (2015-16 – $1,461.8 million) primarily due to a $62.7 million decrease in capital expenditures. Cash used in investing activities was further reduced by a $6.6 million decrease in restricted cash and cash equivalents. This decrease relates to restricted cash at SIIF that was released for principal loan repayments to the Government of Canada.

Financing Activities

Net cash from financing activities was $74.9 million for 2016-17 (2015-16 – $331.5 million). The $256.6 million decrease in cash inflows was primarily due to a $359.4 million decrease in notes payable primarily due to increased cash from operations and reduced capital spending. This was partially offset by a $29.0 million increase in long-term debt proceeds from the GRF and other lenders net of repayments. The decrease in cash flows was further offset by a $78.2 million decrease in dividends to the GRF.

Comparison of 2016-17 Results with Budget

(millions of dollars)	2016-17 Earnings		2016-17 CIC Dividends	
	Budget	**Actual**	**Budget**	**Actual**
SaskPower	$ **181.3**	$ **56.3**	$ -	$ -
SaskEnergy	**117.6**	**145.6**	**27.2**	**28.9**
SaskTel	**104.2**	**134.8**	**30.0**	**30.0**
SGI CANADA	**39.6**	**65.2**	**25.0**	**43.0**
SGC	**24.9**	**24.4**	**29.9**	**29.5**
SaskWater	**6.1**	**6.5**	**1.5**	**1.7**
CIC AMI	**0.3**	**(3.0)**	**15.0**	**20.0**
SOCO	**0.1**	**0.5**	**0.1**	-
STC	**0.4**	**(5.3)**	-	-
SIIF	**(0.1)**	**(1.4)**	-	-
CIC (separate)	**106.4**	**132.1**	-	-
Other[1]	**(133.6)**	**(157.1)**	**4.3**	**4.3**
Totals	$ **447.2**	$ **398.6**	$ **133.0**	$ **157.4**

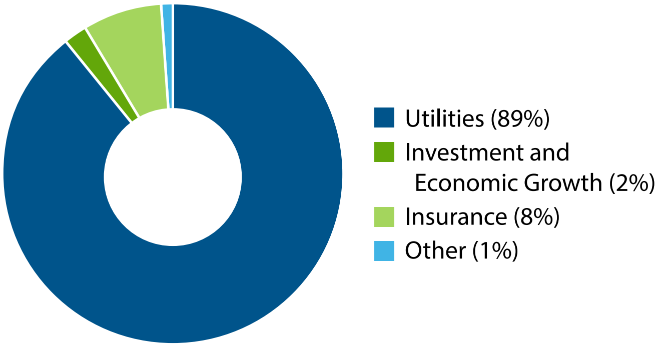
[1] Includes First Nations and Métis Fund, Gradworks Inc., CIC Economic Holdco Ltd., and consolidation adjustments. Consolidation adjustments reflect the elimination of all inter-entity transactions, such as grants from CIC to Crown corporations, revenues and expenses between Crown corporations, and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

The above table shows results for the commercial Crown corporations in 2016-17 in comparison to performance and resource management plan targets. Consolidated earnings for 2016-17 of $398.6 million were $48.6 million lower than budgeted earnings of $447.2 million. Dividends to CIC in 2016-17 of $157.4 million were $24.4 million above budgeted dividends of $133.0 million. Dividend revenue is either proportionate to the operating earnings of the dividend paying Crown corporations or set on an alternative basis such as cash availability. Accordingly, the dividend variances reported for all subsidiaries primarily relate to favourable or unfavourable actual versus budgeted earnings impacts. Significant earnings variances are explained as follows:

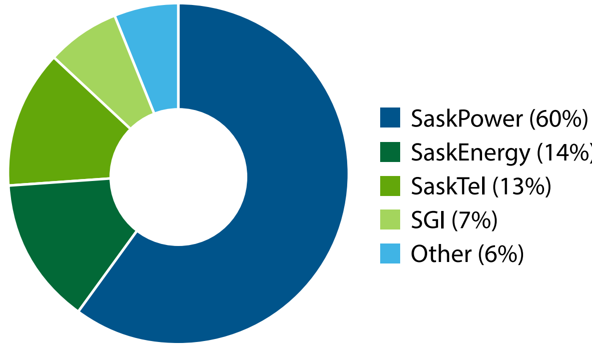
- SaskPower earnings were $125.0 million lower than budget primarily due to lower than projected Saskatchewan electricity sales as a result of a lower than budgeted rate increase and lower sales volumes than anticipated.
- SaskTel earnings were $30.6 million higher than budget primarily due to lower expenses from cost restraint initiatives, lower salaries, wages and employee benefits due to a lower number of full-time equivalents and increased internal labour capitalized, and reduced depreciation and amortization due to useful life changes.
- SaskEnergy earnings were $28.0 million higher than budget primarily due to decreased natural gas purchases as a result of a lower volume of commodity gas sold and lower than anticipated gas prices. This was partially offset by decreased natural gas sales due to warm winter weather.
- SGI CANADA earnings were $25.6 million higher than budget primarily due to strong equity investment returns.
- STC earnings were $5.7 million lower than budget due to impairment losses on property, plant and equipment as a result of the provincial government's decision to wind up STC.
- CIC Separate earnings were $25.7 million higher than budget due to higher than expected dividend revenue from subsidiary corporations and lower expenses due to cost restraint initiatives.

Segmented Information

Total Assets by Business Segment



Total Assets by Corporation



(millions of dollars)	Utilities		Entertainment		Insurance		Transportation		Investment & Economic Growth		Other[1]		Total	
	2016-17	Fifteen months 2015-16	2016-17	Fifteen months 2015-16	2016-17	Fifteen months 2015-16	2016-17	Fifteen months 2015-16	2016-17	Fifteen months 2015-16	2016-17	Fifteen months 2015-16	2016-17	Fifteen months 2015-16
Statement of Income														
Total revenue	4,543	5,602	124	158	700	787	15	18	42	51	(112)	(137)	5,312	6,479
Operating expenses	(3,699)	(4,753)	(99)	(124)	(690)	(748)	(20)	(18)	(41)	(52)	83	80	(4,466)	(5,615)
Net finance (expenses) income	(502)	(579)	(1)	(1)	55	45	-	-	(6)	3	1	3	(453)	(529)
Earnings (loss) from operations	342	270	24	33	65	84	(5)	-	(5)	2	(28)	(54)	393	335
Share of net earnings from equity accounted investees	1	2	-	-	-	-	-	-	-	-	5	5	6	7
Net earnings (loss)	343	272	24	33	65	84	(5)	-	(5)	2	(23)	(49)	399	342
Statement of Financial Position														
Current assets	1,179	1,136	23	19	566	540	5	4	187	193	41	122	2,001	2,014
Investments & other	890	818	-	-	762	649	-	-	33	100	95	82	1,780	1,649
Capital assets[2]	14,077	13,511	57	59	22	24	20	36	165	168	(57)	(59)	14,284	13,739
	16,146	15,465	80	78	1,350	1,213	25	40	385	461	79	145	18,065	17,402
Current liabilities	2,645	2,860	30	23	692	604	9	3	63	76	(83)	(78)	3,356	3,488
Long-term debt	7,318	6,722	-	-	-	-	-	-	129	162	-	-	7,447	6,884
Finance lease obligations	1,117	1,126	6	6	-	-	-	-	-	-	-	-	1,123	1,132
Other	952	1,018	-	-	295	269	14	30	53	48	(38)	(56)	1,276	1,309
	12,032	11,726	36	29	987	873	23	33	245	286	(121)	(134)	13,202	12,813
Province's equity	4,114	3,739	44	49	363	340	2	7	140	175	200	279	4,863	4,589
	16,146	15,465	80	78	1,350	1,213	25	40	385	461	79	145	18,065	17,402
Statement of Cash Flows														
Operating activities	1,092	1,060	29	41	65	40	1	-	13	8	(18)	(23)	1,182	1,126
Investing activities														
Capital asset purchases[2]	(1,416)	(1,812)	(4)	(5)	(4)	(2)	(1)	(4)	(12)	(5)	-	-	(1,437)	(1,828)
Other	9	13	-	-	(20)	6	-	-	64	28	-	4	53	51
	(1,407)	(1,799)	(4)	(5)	(24)	4	(1)	(4)	52	23	-	4	(1,384)	(1,777)
Financing activities														
Debt proceeds	768	861	-	-	-	-	-	-	-	2	-	-	768	863
Debt repayments	(216)	(73)	(2)	(2)	-	-	-	-	(58)	(18)	-	-	(276)	(93)
Dividends paid	(67)	(79)	(19)	(26)	(41)	(36)	-	-	(20)	(2)	(72)	(154)	(219)	(297)
Equity (repaid) received	-	-	-	-	-	-	-	-	(10)	(2)	10	2	-	-
Other	(203)	74	-	(1)	-	-	1	3	5	(2)	(1)	(2)	(198)	72
	282	783	(21)	(29)	(41)	(36)	1	3	(83)	(22)	(63)	(154)	75	545
Change in Cash	(33)	44	4	7	-	8	1	(1)	(18)	9	(81)	(173)	(127)	(106)

[1] Other includes the operations of CIC (separate) and consolidation adjustments.

[2] Capital assets include property, plant and equipment, investment property and intangible assets.

Utilities

SaskPower
Powering the future

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- Earnings of $56.3 million (2015-16 – loss of $19.2 million) increased primarily due to higher favourable market value adjustments on natural gas hedges and sinking funds.
- Revenue of $2,406.9 million (2015-16 – $2,303.8 million) increased largely due to higher Saskatchewan electricity sales resulting from the system-wide average rate increase of 5.0 per cent and 3.5 per cent that became effective July 1, 2016 and January 1, 2017 respectively. Electricity sales volumes to Saskatchewan customers were 22,080 GWh, up 438 GWh or 2.0 per cent compared to the prior year. Other revenue decreased as a result of lower customer contributions as well as a decline in wind power incentives received from the Government of Canada and a reduction in gas and electrical inspections.
- Expenses before non-cash market value adjustments of $2,356.3 million (2015-16 – $2,240.6 million) increased mainly due to capital-related expenses, including depreciation and finance charges, as a result of SaskPower's capital program. Operating costs increased compared to 2015-16 as a result of increased maintenance at our generation, transmission and distribution facilities. Fuel and purchased power costs also increased mainly as a result of increased generation required to supply load growth in Saskatchewan.
- SaskPower recorded $10.1 million in net market value gains (2015-16 – $82.4 million net losses). The market value adjustments represent the change in the market value of SaskPower's outstanding natural gas hedges, electricity contracts and sinking funds.
- Gross long-term debt, short-term debt, and finance leases of $7,584.6 million (2015-16 – $7,244.2 million) increased due to additional obligations during the year to finance capital expenditures.
- SaskPower invested $885.9 million (2015-16 – $930.5 million) in various capital projects, including new generation, customer connects, and sustaining transmission and distribution infrastructure.

In 2016-17, SaskPower invested nearly **$886.0 million** in Saskatchewan's electrical system for our power future.

2017-18 Outlook

- Operating earnings are expected to increase in 2017-18 to $179.5 million largely as a result of higher revenues. Saskatchewan electricity sales are expected to increase due to the full year impact of the rate increases of 5.0 per cent implemented on July 1, 2016, and 3.5 per cent implemented on January 1, 2017, as well as a 2.0 per cent increase in electricity sales volumes.
- This increase in revenues is expected to be partially offset by higher expenses, mainly as a result of increased depreciation expense due to significant capital investments made in recent years.
- SaskPower plans to continue making significant investments in its generation, transmission and distribution infrastructure, with anticipated capital expenditures of approximately $1,120.7 million in 2017-18.

Key Enterprise Risks, Mitigations and Action Plans

- SaskPower is challenged by recent regulatory requirements regarding emissions, the need for new energy supply, financial constraints, evolving technologies, growing capital requirements and the speed at which stakeholder and customer demands and expectations are changing.

- SaskPower's financial flexibility and capability is challenged by current market conditions, growing capital requirements, increasing debt and the need for rate increases.
- SaskPower recognizes the need to invest significant amounts of capital in long-term projects to maintain system reliability, renew aging infrastructure, accommodate growing demand for electricity and meet recent and emerging environmental requirements including a more diversified supply portfolio. SaskPower has enhanced its capital allocation methodology to prioritize capital expenditures based on a number of criteria and objectives including providing a reliable energy supply to meet forecasted requirements; maintaining system reliability, security and power quality; meeting or exceeding environmental regulations and guidelines; and minimizing the cost of electricity for customers.
- SaskPower's asset maintenance is critical to infrastructure reliability, system security and availability. SaskPower has implemented a risk-based asset management business model to provide optimal and sustainable management of assets. By assessing critical asset performance, cost, risks and opportunities, and by integrating infrastructure planning across the organization, SaskPower is able to optimize capital spending and manage its assets efficiently and effectively.
- SaskPower may be subject to criminal or malicious attacks, both in cyber and physical ways, potentially resulting in disruption of system reliability, core business operations and customer service. SaskPower maintains industry standard policies, processes and technical safeguards including security analytics, intrusion detection, vulnerability and threat management and data loss prevention to ensure only authorized access and use of its information systems and corporate assets.
- SaskPower is reviewing its project risk management practices and standards to identify improvements in risk management, process safety management, strategic procurement and contract management.

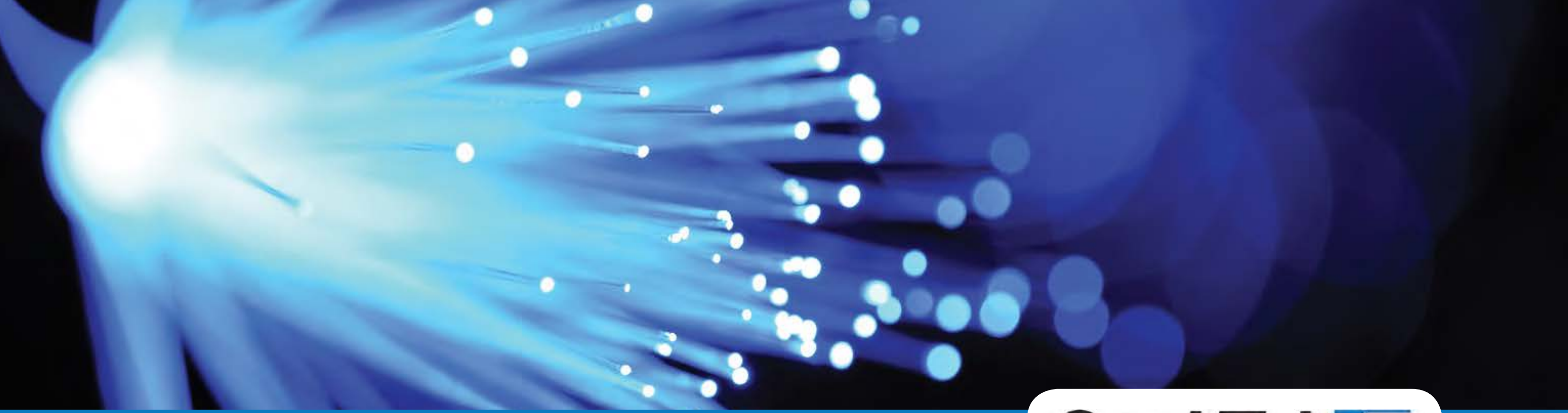
Key Financial Data

	2016-17	**2015-16**	**Fifteen months 2015-16**	**2014**	**2013**	**2012**
Net earnings (loss)	**$ 56.3M**	$ (19.2M)	$ 25.9M	$ 59.6M	$ 113.8M	$ 135.5M
Operating earnings	**$ 46.2M**	$ 63.2M	$ 123.4M	$ 43.2M	$ 167.2M	$ 129.4M
Dividend declared to CIC	**Nil**	Nil	Nil	Nil	Nil	$ 120.0M
Total assets	**$ 10,908.4M**	$ 10,433.8M	$ 10,433.8M	$ 9,674.5M	$ 8,604.4M	$ 6,969.2M
ROE*	**2.6%**	(0.9%)	1.2%	2.7%	5.6%	7.3%
Debt ratio	**75.7%**	75.7%	75.7%	73.1%	69.8%	67.1%

* ROE has been restated for 2012 to conform with the current fiscal year's presentation.

Key Operational Data

	2016-17	**2015-16**	**Fifteen months 2015-16**	**2014**	**2013**	**2012**
Total customer accounts	**528,059**	521,745	521,745	511,941	500,879	490,611
Gross electricity supplied (gigawatt hours)	**24,374**	23,756	30,174	23,424	23,155	22,129
Available generating capacity (net megawatts)	**4,491**	4,437	4,437	4,181	4,281	4,104
Annual peak load (net megawatts)	**3,747**	3,640	3,640	3,561	3,543	3,314
Power lines (kilometres)	**158,723**	156,984	156,984	155,808	152,642	152,133
Full-time employees	**3,643**	3,637	3,777	3,829	3,627	3,419



Utilities

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net earnings*	**$ 134.8M**	$ 105.9M	$ 126.7M	$ 76.4M	$ 90.7M	$ 106.3M
Operating revenue*	**$ 1,277.2M**	$ 1,264.8M	$ 1,569.6M	$ 1,231.0M	$ 1,205.7M	$ 1,182.4M
Dividend declared to CIC	**$ 30.0M**	$ 30.0M	$ 37.5M	$ 53.3M	$ 81.1M	$ 84.3M
Total assets	**$ 2,394.5M**	$ 2,253.1M	$ 2,253.1M	$ 2,068.9M	$ 1,993.7M	$ 1,793.7M
ROE*	**15.4%**	14.0%	16.8%	10.5%	14.0%	19.0%
Debt ratio*	**47.9%**	51.9%	51.9%	52.8%	49.1%	51.3%

* 2013 net earnings, fifteen months 2015-16 operating revenue, and 2012 ROE and debt ratio and have been restated to conform with the current fiscal year's presentation.

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- SaskTel's focus is expansion of communication services throughout the province. Customer connections remained at approximately 1.4 million, however the mix has shifted from legacy services to more broadband and wireless based services, provided through expansion of FTTP, a program to provide fibre optic services and highspeed (DSL) expansion to more communities. SaskTel also enhanced ICT service offerings including Integrated Business Communications and expanded data centre capabilities, as well as upgraded and expanded the wireless network.
- Earnings were $134.8 million (2015-16 – $105.9 million), up $28.9 million from 2015-16, and cash provided by operating activities was $321.6 million (2015-16 – $304.1 million).
- Total operating revenues increased to $1,277.2 million (2015-16 – $1,264.8 million), up $12.4 million or 1.0 per cent from 2015-16, primarily due to continued growth in the average revenue per unit (ARPU) and accesses for wireless, Internet and data services; growth in accesses for *maxTV*™, increased wireless wholesale revenue; and growth of the managed and emerging services portfolio.
- Total operating expenses were $1,117.9 million (2015-16 – $1,126.0 million), down $8.1 million from 2015-16 primarily due to management's focus on continuous improvement activities such as Crown collaboration, business simplification and operational improvements (including improved space utilization and fleet efficiency), and controlled spending throughout the year.
- Net finance expenses decreased to $34.6 million (2015-16 – $37.0 million), down $2.4 million or 6.5 per cent from 2015-16. This was primarily driven by sinking fund losses of $0.9 million compared to losses of $4.5 million in 2015-16 – an outcome of more stable interest rates on fixed interest rate investments.
- Capital expenditures for the fiscal year were $316.1 million (2015-16 – $328.7 million), down $12.6 million from 2015-16. SaskTel's capital spending was related to: FTTP; capacity improvements to wireline and wireless networks; improvements to 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 the addition of two Tier III data centres in the province.
- Debt increased to $1,029.1 million (2015-16 – $1,006.5 million) due to the issuance of long-term debt during the year partially offset by reduced short-term borrowings. The overall level of debt increased to support SaskTel's capital program.

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Full time equivalent employees	**3,916**	3,956	3,956	3,999	4,079	4,031
Wireless accesses	**615,882**	614,221	614,221	618,083	615,694	607,659
Wireline accesses*	**388,519**	413,052	413,052	442,471	466,639	492,786
Internet (includes *maxTV*)*	**275,381**	264,196	264,196	258,705	253,256	248,234
Max subscribers*	**110,591**	107,321	107,321	103,716	101,147	97,262

* Accesses and internet have been restated for 2012 to fifteen months 2015-16 and max subscribers have been restated for fifteen months 2015-16 to conform with the current fiscal period's presentation.

- The debt ratio of 47.9 per cent (2015-16 – 51.9 per cent) decreased as a result of higher equity from increased earnings and other comprehensive income, partially offset by an increase in net debt.
- Return on equity increased to 15.4 per cent (2015-16 – 14.0 per cent) due to higher earnings partially offset by an increase in the accumulated other comprehensive income component of equity.
- Dividends of $30.0 million were declared (2015-16 – $30.0 million).

2017-18 Outlook

- SaskTel is targeting earnings of $122.1 million in 2017-18.
- SaskTel is experiencing changes in customer demands, rapidly evolving technology, increasing competition, and regulatory instability that are contributing to pressures on SaskTel's revenues, costs, and profit margins. SaskTel plans significant investment in new network technologies, network infrastructure, systems, processes and workforce skills that will ensure SaskTel is well positioned for these challenges. SaskTel is also focused on the customer experience including the Customer Experience (CX) First program and investment in customer self-serve capabilities.
- Throughout 2017-18, SaskTel will be focusing on revenues from the business market including managed and emerging services. An additional focus will be the provision of converged services for both consumers and businesses. Revenues from growth initiatives including cellular, Internet and *maxTV* services are also projected to increase, while revenues from local and long distance services are expected to decline.
- Expenses are expected to increase approximately 4.0 per cent for 2017-18. Management's focus on controlled spending in 2016-17 resulted in significant operating expense savings. Planned spending in certain discretionary areas is anticipated to increase in 2017-18; however, spending in these areas will be tightly managed.
- SaskTel has budgeted approximately $302.0 million on capital expenditures during 2017-18.

SaskTel is Saskatchewan's leading Information and Communications Technology (ICT) provider. You come to SaskTel when you need a new phone, lightning fast Internet, or TV. You come to SaskTel when your business needs communication solutions, to reach more customers and help your employees be more efficient. For SaskTel, communication is about community, careers that matter, and people who make a difference. It's about connecting with you - and then connecting you with your world.

Key Enterprise Risks, Mitigations and Action Plans

- SaskTel actively manages risk exposures in relation to business priorities and risk tolerance. A review of key risks is performed annually considering both strategic and operational risks that could have a material effect on SaskTel's business.
- Once key risks are identified, they are evaluated using the Corporate Risk Matrix, considering the risk's likelihood and consequence of both inherent and residual risk. Mitigation activities that are in place or planned are identified. This information is maintained in the Corporate Risk Register which is reviewed regularly with SaskTel's executive and board of directors.
- The top three risks to SaskTel relate to: competition; regulatory change; and loss of systems, network or facilities.
- Activities identified within SaskTel's strategic plan will further mitigate these risks.

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net earnings (loss)	**$ 145.6M**	$ 55.7M	$ 110.9M	$ (33.0M)	$ 78.9M	$ 106.8M
Operating earnings	**$ 69.9M**	$ 85.2M	$ 134.7M	$ 47.0M	$ 79.0M	$ 72.4M
Dividend declared to CIC	**$ 28.9M**	$ 54.8M	$ 64.7M	$ 17.5M	$ 30.4M	$ 27.2M
Total assets	**$ 2,505.4M**	$ 2,450.6M	$ 2,450.6M	$ 2,379.6M	$ 2,207.6M	$ 2,037.1M
Operating ROE	**8.8%**	11.6%	18.8%	6.5%	11.0%	11.0%
Debt ratio	**58.6%**	61.0%	61.0%	62.6%	58.8%	59.3%

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- Net earnings before market value adjustments and impairment of assets was $103.2 million (2015-16 – $84.7 million). Continued provincial load growth, together with colder winter weather and transmission and distribution rate increases contributed to stronger financial results. In addition temporary cost restraint measures resulted in a reduction in operating costs relative to the previous year.
- Near term natural gas prices hit record lows at the beginning of the year and gradually recovered through the year. At the end of the year, forward gas prices were lower than near term gas prices. This inversion in the price curve is unusual and has adversely affected SaskEnergy's ability to generate favourable margin in its non-core storage arbitrage business. As a result, impairment was taken on non-core storage assets of $25.8 million. In the past, forward differentials in natural gas prices have exceeded $2.00/GJ. If forward prices should recover, SaskEnergy will be able to reduce the impairment taken. Over the last five years, SaskEnergy's storage arbitrage activities have generated more than $60.0 million in margins.
- In 2016-17, revenues were $796.3 million (2015-16 – $795.0 million) and expenses were $604.3 million (2015-16 – $689.4 million) reflecting lower natural gas prices and the implementation of cost restraint measures.
- Net finance expenses declined by $4.4 million to $46.4 million due primarily to lower interest rates on short and long term debt.
- Capital investments totalled $197.9 million (2015-16 – $211.4 million). Slowing customer growth and lower capital costs have reduced the level of capital expenditures. Expenditures on system integrity and reliability have been maintained at historical levels.
- Cash from operations of $179.4 million, while down from 2015-16, continues to be a major source of capital for SaskEnergy. Debt increased by $42.2 million, compared to a $54.8 million increase to total assets, resulting in the debt ratio improving to 58.6 per cent (2015-16 – 61.0 per cent).
- Dividends of $28.9 million (2015-16 – $54.8 million) were declared to CIC based on forecasted operating earnings. Dividends were down from 2015-16 due to a reduction in the dividend payout ratio.

SaskEnergy's performance in 2016-17 was stronger than the twelve months ended March 31, 2016, reflecting a strong operational performance, and favourable market value adjustments off-set by impairments taken on non-core storage assets, a result of the markets general pessimism on forward natural gas prices.

2017-18 Outlook

- SaskEnergy's strategic direction aligns with the Crown Sector Strategic Priorities.
- Provincial demand for natural gas continues to grow as major customers in potash production, enhanced oil recovery and natural gas power generation expand operations.
- SaskEnergy is projecting to invest more than $750.0 million over the next three years. The investment will address aging pipeline systems, expected load growth and efficiency initiatives.
- SaskEnergy continues to focus on efficiency initiatives and cost restraint measures. Many of the cost restraint measures implemented in 2016-17 were of a temporary nature, but SaskEnergy expects to realize $4.0 million of efficiency saving in 2017-18, bringing the total to nearly $48.0 million since 2009. Even with efficiency savings, cost pressures will continue to increase as customer growth drives incremental expenses primarily due to third party transportation costs related to importing natural gas to meet growing load requirements.
- SaskEnergy's financial performance is expected to remain strong as load growth drives additional revenue. A low natural gas price environment will create challenges, but will also benefit customers with the opportunity for SaskEnergy to offer lower commodity rates. SaskEnergy will focus on providing safe and reliable service to its customers by continued investment in the integrity and reliability of its pipeline systems.

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Total distribution customers	**390,886**	386,886	386,886	380,768	373,436	365,749
Residential average usage (m^3)*	**2,543**	2,387	3,579	3,006	3,020	2,753
Distribution pipelines (km)*	**69,870**	69,547	69,547	69,015	68,612	68,212
Transmission pipelines (km)	**15,228**	15,156	15,156	15,174	15,042	14,979
Compressor horsepower (HP)	**86,065**	82,615	82,615	95,660	94,020	92,570
Peak day gas flows (Petajoules)	**1.36**	1.35	1.35	1.42	1.26	1.20
Full-time equivalents	**1,059**	1,072	1,138	1,167	1,146	1,157

* 2012 amounts have been restated to conform with the current fiscal period's presentation.

Key Enterprise Risks, Mitigations and Action Plans

- SaskEnergy's business is the transportation, storage, distribution and sale of natural gas – a fossil fuel which emits carbon dioxide when burned to generate energy. The public focus on reducing carbon emissions could impact SaskEnergy if it does not appropriately address carbon reduction expectations, even though natural gas remains the "greenest" of fossil fuels, producing less carbon dioxide than most other carbon-based sources of energy.
- Pipeline, facility and operational failure could disrupt SaskEnergy's natural gas storage, distribution and transmission infrastructure, negatively impacting public safety, the environment and customers. Some of the primary processes to mitigate this risk include system integrity programs, public awareness and safety programs, employee and operator training, and environmental policies and procedures. The financial impact of this risk is mitigated, where possible and appropriate, through insurance.
- As natural gas production within Saskatchewan declines, SaskEnergy becomes increasingly reliant on importing natural gas from outside the province. Importing natural gas creates a reliance on interconnecting pipelines. This reliance becomes more critical as the amount of imported gas increases, and increases the complexity of supply planning, increases operating costs and has potentially negative impacts on Saskatchewan end users. SaskEnergy manages the risk through long-term supply and demand forecasting, consultation with large existing and potential customers, and utilization of provincial natural gas storage infrastructure.

Utilities

SaskWater

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- SaskWater experienced another profitable period of earnings at $6.5 million (2015-16 – $5.6 million).
- Results from operating activities were $0.9 million higher than 2015-16. Revenues from the potable, non-potable and certified operations and maintenance lines of business all increased during the year with the addition of new customers. Project management work (primarily for potential new potash mines) has decreased from 2015-16 as projects were put on hold by customers or requested services were completed. Expenses were up across all categories in line with increased revenues. The most significant increase came from bulk water purchases where volumes and rate increases impacted the expenditure.
- Total water services volumes were 43.9 million m^3 (2015-16 – 46.8 million m^3), a decrease of 2.9 million m^3. There was a 3.5 million m^3 volume decrease from our potash sector customers as a result of market conditions. Offsetting increases relate to the year-over-year change in other industrial customer usage.
- Total capital spending was $24.1 million (2015-16 – $40.5 million). The decrease was largely the result of a major new water supply system that was built over a three year period and substantially complete in 2016-17. SaskWater's investment in capital spending, net of customer contributions, was $15.4 million, an increase of $2.7 million over 2015-16.
- Debt at March 31, 2017 was $66.2 million (March 31, 2016 – $62.4 million), an increase of $3.8 million. The increase in debt was used to fund a portion of SaskWater's capital spending during the year.
- The combined effects of continued improved earnings and a low overall increase in debt resulted in a debt ratio of 44.7 per cent (March 31, 2016 – 45.7 per cent).
- Dividends of $1.7 million (2015-16 – $1.6 million) were declared to CIC based on operating earnings.

SaskWater continued to have strong financial results in 2016-17 with revenues from new customers in most of the core lines of business. SaskWater made significant progress with improving legacy agreements and business processes while improving the bottom line.

2017-18 Outlook

- SaskWater continues to focus its efforts on growth of core lines of business, cost efficiencies and renegotiating legacy agreements to achieve cost of service pricing. While absorbing further reductions in service requests for project management-related work, SaskWater plans to invest in new and existing customer infrastructure, as well as explore opportunities with respect to remote monitoring services for communities who own and operate their own infrastructure.
- SaskWater anticipates revenues to stay fairly consistent moving to $53.2 million or an increase of 0.3 per cent. SaskWater anticipates that potable and non-potable revenues will continue to grow as a result of continued growth from municipal potable customers, as well as increased industrial water usage and revenue. Offsetting this growth is an expected reduction to project management revenues as projects have either been put on hold by customers or moved on to construction.
- Net of project management-related expenses decreasing in line with reduced revenues, total operating expenses and net finance expense are expected to increase in conjunction with increased volumes and capital requirements.

- Based on the decision of a potential potash customer to defer its new mine, SaskWater has done the same and deferred related capital investments. Based on that information the revised capital spend for 2017-18 is to invest $24.6 million, net of customer contributions ($27.0 million including customer contributions), in water and wastewater infrastructure projects in the province.
- The profitability level from operations is expected to achieve a return on equity of approximately 9.0 per cent for 2017-18. SaskWater also expects to declare dividends to CIC based on those earnings in 2017-18.

Key Enterprise Risks, Mitigations and Action Plans

- SaskWater's customer base is concentrated primarily in the industrial sector. Changes in market demand can lead to revenue instability resulting in production swings. Mitigation strategies in place include minimum purchase requirements, efficiency programs, and cost of service rates. Future action plans include renegotiating legacy contracts and continuing to grow the business.
- The supply of water for human consumption carries a risk of contamination if mitigation strategies are not in place. SaskWater's current mitigation strategies include meeting or exceeding regulatory requirements, undergoing extensive testing, public reporting of water quality, and utilizing remote monitoring 24 hours per day, 365 days per year.
- Mechanical failures, accidents, storms and power failures can result in service interruptions. SaskWater's current mitigation strategies include increased asset refurbishment, emergency response plans, and vulnerability assessments for facilities.

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net earnings	**$ 6.5M**	$ 5.6M	$ 7.3M	$ 5.5M	$ 3.5M	$ 3.0M
Total assets	**$ 338.1M**	$ 328.9M	$ 328.9M	$ 316.4M	$ 223.9M	$ 186.4M
ROE	**11.0%**	10.3%	13.7%	11.3%	8.0%	7.5%
Debt ratio	**44.7%**	45.7%	45.7%	45.0%	52.9%	53.9%

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Total customer accounts	**414**	411	411	407	406	402
Total sales volumes (cubic metres)	**43.9M**	46.8M	57.4M	38.0M	40.1M	40.7M
Kilometres of potable and non-potable pipeline	**935**	935	935	865	876	862
Full time equivalent employees	**124**	120	118	116	112	105

Insurance

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net earnings	**$ 65.2M**	$ 41.2M	$ 84.5M	$ 40.7M	$ 39.2M	$ 82.2M
Dividend declared to CIC	**$ 43.0M**	$ 41.0M	$ 47.3M	$ 31.6M	$ 25.6M	$ 52.0M
Total assets	**$ 1,335.6M**	$ 1,213.2M	$ 1,213.2M	$ 1,175.3M	$ 1,120.8M	$ 1,073.6M
ROE	**18.5%**	12.1%	21.0%	13.5%	13.5%	30.7%
Minimum Capital Test[1]	**243%**	249%	249%	227%	231%	250%

[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.

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- SGI CANADA generated $65.2 million in earnings compared to $41.2 million in 2015-16. This resulted in a strong after-tax return on equity of 18.5 per cent (2015-16 – 12.1 per cent). The solid financial results were due largely to investment earnings driven by strong equity returns.
- SGI CANADA continues to experience strong growth, with gross premiums written of $738.9 million representing growth of 10.7 per cent over 2015-16. All jurisdictions saw growth, with the strongest from Alberta and BC operations.
- Claims incurred increased to $396.7 million (2015-16 – $342.7 million), due primarily to higher claim costs due to increased exposure in Alberta, Ontario, and British Columbia.
- Investment earnings were $56.0 million (2015-16 – $14.3 million), with a year-to-date market value return of 6.0 per cent (2015-16 – 0.9 per cent). The returns were driven by exceptionally strong equity investment returns.
- SGI CANADA's consolidated Minimum Capital Test of 243.0 per cent (2015-16 – 249.0 per cent) is consistent with the 2016-17 target and long-term goal of 242.0 per cent.

2017-18 Outlook

- The Canadian property and casualty industry in Canada is highly competitive and will continue to evolve at a rapid pace in 2017-18. Disruptions from economic, regulatory and technological forces continue to put pressure on insurers and have a significant impact on customer expectations.
- SGI CANADA must achieve aggressive growth over the next five years to capitalize on the opportunities that this dynamic market offers.

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net premiums written	**$ 693.6M**	$ 624.2M	$ 730.0M	$ 549.9M	$ 493.5M	$ 491.8M
Number of policies in force	**671,119**	639,486	639,486	607,916	576,190	580,043
Number of claims	**108,122**	102,231	122,028	102,066	98,786	99,115
Full time employees	**1,912**	1,883	1,879	1,892	1,871	1,833

- SGI CANADA aims to accelerate growth through great customer experiences. The company's long-term goal is to achieve $1.0 billion in direct premiums written by 2020 with customer-centricity serving as the primary strategy for achieving growth over the longer term.
- SGI CANADA is focused on new strategies for growth in the Ontario, Manitoba and British Columbia markets, working closely with brokers that support strong customer experiences, omni-channel delivery and eServices.
- Customer-centricity remains a strategic area of focus for SGI CANADA and is the primary strategy for achieving long-term growth. It aims to develop a deeper understanding of how to increase value for customers and strengthen the ability to deliver that value. SGI CANADA plans to complete a redesign of its websites and continues to undertake a review of the claim process, with a focus on enhancing the overall experience being provided to customers.

SGI CANADA's operating results for 2016-17 were strong, achieving consolidated net earnings before income taxes of **$62.8 million**, and an annualized after-tax return on equity of **18.5 per cent**.

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. Each risk event is rated based on the likelihood of the event occurring and severity of the consequences if it did occur, both before and after the application of potential mitigations. This process results in a risk profile for SGI CANADA, which is reviewed by the risk committee of the board of directors annually. SGI's audit services department also uses the risk profile in developing its annual work plan, providing an assurance component to SGI's risk management process.
- The top five risks identified relate to: increased competition, distribution channel, privacy breach, catastrophic claim losses and acquisition and development of expertise.
- These risks represent key areas in SGI's strategic plan and, as such, SGI CANADA has prioritized resources towards key business processes and corporate projects which will mitigate these risks.

Insurance

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

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- The Auto Fund experienced an increase to the Rate Stabilization Reserve (RSR) of $188.7 million, compared to $80.3 million in 2015-16, an improvement of $108.4 million year-over-year, due to solid investment returns.
- Net premiums written totaled $925.0 million representing an increase of 0.5 per cent over the prior year. The slight increase is due to customers moving to vehicles with higher premiums.
- Overall claims costs increased $63.0 million or 8.6 per cent over the prior year due to an increase in frequency of damage and injury claims.
- Investment earnings were $173.8 million, a significant increase over the $16.5 million earned in 2015-16. The total portfolio's market-based return was 8.3 per cent, compared to a 0.9 per cent return in 2015-16, led by exceptionally strong equity returns and positive fixed income results.

The Saskatchewan Auto Fund increased its Rate Stabilization Reserve for the year ended March 31, 2017 due to solid investment earnings driven by exceptionally strong equity investment returns.

2017-18 Outlook

- The Auto Fund aims to help reduce injuries and fatalities occurring on Saskatchewan roads, maintain Saskatchewan's position as having among the lowest personal auto insurance rates in Canada, and provide quality service to customers.
- To achieve this, the Auto Fund is focused on three key areas: traffic safety, customer-centricity and operational excellence.

Key Enterprise Risks, Mitigations and Action Plans

- On an annual basis, management reviews the key risks faced by the Auto Fund by identifying specific risk events and their potential impact on its operations, finances and reputation. Each risk event is rated based on the likelihood of the event occurring and severity of the consequences if it did occur, both before and after the application of potential mitigations. This process results in a risk profile for the Auto Fund, which is reviewed by the risk committee of the board of directors annually. SGI's audit services department also uses the risk profile in developing its annual work plan, providing an assurance component to SGI's risk management process.
- The top five risks identified relate to: privacy breach, catastrophic claim losses, acquisition and development of expertise, strategy, and systems security.
- These risks represent key areas in SGI's strategic plan and, as such, the corporation has prioritized resources towards key business processes and corporate projects which will mitigate these risks.

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net earnings (loss)	**$ 188.7M**	$ 80.3M	$ 159.1M	$ 53.8M	$ 32.3M	$ (11.5M)
Total assets	**$ 2,627.4M**	$ 2,369.6M	$ 2,369.6M	$ 2,191.1M	$ 1,985.0M	$ 1,825.0M
Minimum Capital Test[1]	**108%**	95%	95%	69%	58%	51%
Rate Stabilization Reserve	**$ 565.9M**	$ 377.2M	$ 377.2M	$ 218.1M	$ 162.8M	$ 127.1M

[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 Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net premiums written	**$ 925.0M**	$ 920.5M	$ 1,111.3M	$ 886.4M	$ 824.5M	$ 781.2M
Number of licensed drivers	**806,000**	799,000	799,000	789,596	778,221	761,859
Number of claims	**118,060**	111,473	137,044	108,688	119,425	111,556

Entertainment

SaskGaming

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- Earnings were $24.4 million (2015-16 – $26.8 million), a $2.4 million decrease from 2015-16.
- Revenues were $124.2 million (2015-16 – $127.8 million), a decrease from 2015-16. This was largely as a result of decreased slot and table revenue, and is consistent with the ongoing maturation of the Canadian gaming market.
- Operating expenses were $99.2 million (2015-16 – $100.3 million), a decrease of $1.1 million from 2015-16. This was primarily the result of lower payments to the GRF due to lower revenues and cost restraint initiatives. These decreases were partially offset by increased salaries and employee benefits.
- SaskGaming paid $24.4 million (2015-16 – $26.8 million) to the GRF to meet the provincial government's obligations under *The Saskatchewan Gaming Corporation Act*.
- Debt (including financing leases) was $6.1 million (2015-16 – $7.7 million). As a result of a decrease in debt, and offset by a decrease in Earnings Before Interest Taxes Depreciation and Amortization (EBITDA), SaskGaming's Debt to EBITDA ratio declined to 10.0 per cent (2015-16 – 11.7 per cent) indicating lower debt required to fund capital requirements.
- Capital expenditures were $4.0 million (2015-16 – $3.2 million), a $0.8 million increase from 2015-16. This increase was as a result of slot machine renewal and renovation projects.

2017-18 Outlook

- SaskGaming continues to operate in a mature market with modest revenue growth projections.
- The number of guest visits and spend per guest are expected to remain steady in 2017-18.
- SaskGaming is forecasting earnings of $23.5 million in 2017-18 after its payment to the GRF.
- SaskGaming is actively adapting its products and services to appeal to a wider demographic of guests.
- Training and other initiatives will seek to improve the customer experience to levels that are even higher than are currently being achieved.

Delivering outstanding

GUEST EXPERIENCES

SaskGaming remains committed to delivering an outstanding guest experience in a socially responsible manner, while providing a net benefit to the people of Saskatchewan. In 2016-17, the corporation was named one of Saskatchewan's Top 100 Companies by *Saskatchewan Business Magazine* and one of Saskatchewan's Top Employers by MediaCorp.

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net earnings	**$ 24.4M**	$ 26.8M	$ 32.7M	$ 24.9M	$ 20.5M	$ 26.3M
Dividends declared to CIC	**$ 29.5M**	$ 21.0M	$ 26.1M	$ 19.9M	$ 16.4M	$ 21.0M
Total assets	**$ 79.5M**	$ 77.7M	$ 77.7M	$ 73.0M	$ 78.9M	$ 78.7M
Debt to EBITDA ratio	**10.0%**	11.7%	10.0%	16.0%	38.0%	29.0%
Debt ratio	**12.3%**	13.6%	13.6%	19.1%	33.4%	34.2%

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Guest count (thousands)	**3,502**	3,574	4,394	3,540	3,603	3,625
Full-time equivalents	**606**	599	599	627	690	729

Key Enterprise Risks, Mitigations and Action Plans

- To ensure it remains a sustainable corporation, SaskGaming has developed a comprehensive plan regarding the modernization of its business model. The corporation continues to review and evolve its Players Club program to ensure its competitive advantage, and research different products and services such as fantasy sports and new entertainment concepts for the Casino Regina Show Lounge. Discussions continue with the City of Regina's Downtown Revitalization Planning Committee regarding the development of the land north of Casino Regina.
- Information technology (IT) infrastructure and resources are critical to SaskGaming's operations. SaskGaming has implemented networking best practices to minimize network failure. Other key risk mitigations include a cyclical refresh of critical network equipment, annual testing to identify potential security risks, and a monitoring process to identify and investigate suspicious activity. A comprehensive resource plan is in place to capture the requirements to sustain SaskGaming's IT environment.
- An established compliance regime exists at SaskGaming. The corporation ensures regulatory compliance by proactively adjusting to changes in regulation. Legislative changes prompted updates to SaskGaming's Anti-Money Laundering and Counter-Terrorist Financing (AMLCTF) policy and the Freedom of Information and Protection of Privacy (FOIPP) policy in 2016-17. SaskGaming also rolled out new AMLCTF training for its employees. Employees of the compliance unit received the Anti-Money Laundering designation from the Canadian Anti-Money Laundering Institute, which provides the knowledge and understanding of AMLCTF to meet SaskGaming's legislative responsibilities. The Saskatchewan Liquor and Gaming Authority continues to provide quarterly reports to SaskGaming on its compliance with all provincial gaming legislation and regulations.

Transportation

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net (loss) earnings	**$ (5.3M)**	$ 1.2M	$ 0.3M	$ (0.4M)	$ (0.1M)	$ (1.0M)
Operating loss	**$ (34.2M)**	$ (13.0M)	$ (16.7M)	$ (13.6M)	$ (13.3M)	$ (12.8M)
Operating grant from CIC	**$ 12.4M**	$ 11.3M	$ 13.3M	$ 10.3M	$ 10.5M	$ 9.2M
Capital grant from CIC	**$ 1.2M**	$ 0.5M	$ 0.5M	$ 3.3M	$ 3.5M	$ 2.3M
Capital grant – Regina maintenance facility	**Nil**	$ 2.4M	$ 2.9M	$ 0.5M	Nil	Nil
Passenger loss per mile	**$ 3.35**	$ 2.97	$ 2.97	$ 2.96	$ 2.73	$ 2.63

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- STC's ridership declined by 2.4 per cent, attributable in part to route reductions that Greyhound Canada, and subsequently STC, implemented over the last few years. In addition, the low cost of consumer fuel throughout the year increased the perceived cost of fares and mild winter weather reduced demand.
- Operating loss before grant funding was $34.2 million (2015-16 – $13.0 million). The increase in operating loss relates to adjustments and provisions associated with the impending wind up of STC.
- Operating revenues were $14.9 million (2015-16 – $14.9 million). Decreases in passenger and express revenues were offset by non-recurring revenue items, such as Workers' Compensation Board rebates.
- Operating expenses of $49.1 million (2015-16 – $27.9 million) increased primarily due to impairment losses on property, plant and equipment and severance payments associated with the wind up of STC.
- Operating and capital grants of $28.9 million (2015-16 – $14.2 million) were recognized as revenue. The impairment losses on STC's property, plant and equipment resulted in the recognition of $13.8 million in previously deferred capital grant revenue.
- Capital spending was $1.4 million (2015-16 – $3.2 million). In the prior year, the majority of the capital spending related to the restoration of the Regina Maintenance Facility.

STC is a customer-focused business with high service standards, achieving a **95.0 per cent** passenger satisfaction rating and a **95.0 per cent** parcel express satisfaction rating.

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Communities served	**253**	253	253	253	284	287
Miles travelled	**2.8M**	2.8M	3.6M	2.9M	3.1M	3.1M
Ridership	**185,678**	190,189	244,785	261,531	276,113	282,119
Full-time equivalents	**204**	208	208	225	225	225

2017-18 Outlook

The Government of Saskatchewan announced on March 22, 2017 that subsidy payments to STC would cease resulting in the wind up of the company.

- STC's vehicular operations cease May 31, 2017, and the company will subsequently surrender its operating authority certificate to the Saskatchewan Highway Traffic Board.
- Following May 31, 2017, STC will liquidate its assets and settle its obligations.

Key Enterprise Risks, Mitigations and Action Plans

- Throughout the 2016-17 fiscal year, STC identified, evaluated, prioritized and managed risks on a continual basis in an effort to support STC in achieving its goals and objectives. STC undertook semi-annual reviews of the enterprise risk management system with the board of directors. Prior to the March 22, 2017 announcement that STC will be winding up, STC's identified risks were key considerations in the development of the budgets, both capital and operating, and the annual strategic plan. The top risks identified by STC at that time were decreased ridership, fleet age and recruitment and retention of employees.

Investment & Economic Growth

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- Earnings of $0.5 million (2015-16 – $0.8 million) is relatively consistent with the prior year.
- Overall revenue of $38.8 million (2015-16 – $38.0 million) increased $0.8 million. The increase in revenue is the result of increased occupancy in the research parks. Overall vacancy at March 31, 2017 was 7.6 per cent reflecting a decrease of 2.4 per cent when compared to the vacancy percentage at March 31, 2016.
- Expenses of $36.7 million (2015-16 – $35.6 million) increased $1.1 million primarily due to the write-off of a significant accounts receivable. The impact of the write-off was partially offset by reductions in discretionary expenditures due to expense restraint initiatives implemented during the year.
- Investment in capital assets was $12.0 million (2015-16 – $4.3 million), an increase of $7.7 million primarily due to a significant renovation project for the Saskatchewan Research Council (SRC). Construction commenced in 2016-17 with projected completion near the end of 2017-18.
- Total debt outstanding at March 31, 2017 was $42.7 million, $6.0 million higher than at March 31, 2016. The increase is due to the SRC renovation project being entirely debt funded. Debt from the SRC project will be recovered through the lease revenue.

SOCO continues to focus its strategy on attracting and supporting new technology opportunities. During 2016-17, ten new start-up companies were established at the research parks bringing the total to 151 since 1993. Of this total, 105 (70 per cent) are still operating in Saskatchewan.

2017-18 Outlook

- The budgeted earnings for 2017-18 are $3.7 million, reflecting an increase of $3.2 million compared to March 31, 2017. 2017-18 reflects an assumption that the Forest Centre building in Prince Albert will be sold generating a gain on sale. The sale will also result in decreased rental revenue of $1.6 million and decreased expenses of $1.3 million. The net proceeds are budgeted to be passed through to CIC by way of an additional equity repayment.
- Excluding the impact of the sale of the Forest Centre, revenue is budgeted to increase by $1.4 million. The increase in revenue is primarily the result of an anticipated reduction in vacancy to 6.9 per cent by year end. Also contributing to the increase is higher occupancy cost recoveries.
- Excluding the impact of the sale of the Forest Centre, total expenses are budgeted to increase by $0.2 million. While the significant receivable write-off that occurred in 2016-17 is not expected to re-occur, the impact is offset by expense increases in other areas. In an effort to reduce expenses in 2016-17, certain expense items were deferred to 2017-18, and staff positions held vacant for extended periods during the year. In addition to the reversing impact of these items on expenses, SOCO expects normal inflationary increases for most expense items.
- Investment in capital assets is budgeted at $23.0 million for 2017-18. Included are $15.1 million for the SRC project and $7.9 million for other capital projects to sustain the research park buildings and infrastructure, which is consistent with prior years.
- Total outstanding debt is expected to increase by $17.0 million due to debt required to fund the SRC project.

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net earnings	**$ 0.5M**	$ 0.8M	$ 1.6M	$ 2.3M	$ 2.4M	$ 4.3M
Dividends declared to CIC	**Nil**	$ 1.1M	$ 1.5M	$ 2.0M	$ 1.7M	$ 2.8M
Total assets	**$ 188.0M**	$ 188.9M	$ 188.9M	$ 191.1M	$ 193.7M	$ 193.0M
Capital spending	**$ 12.0M**	$ 4.3M	$ 5.1M	$ 6.2M	$ 5.5M	$ 8.9M
Debt ratio	**18.7%**	14.0%	14.0%	15.4%	15.0%	16.4%

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. Management 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 the cities. Management continues to evaluate potential new tenants according to their strategic fit in core technology clusters.
- Closely associated with the primary risk is the risk of losing a significant tenant or several tenants in one industry, which will negatively impact financial results, an industry cluster, and/or the value for remaining tenants. As 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. Management continues to make special efforts to retain key strategic tenants.

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Vacancy rates	**7.6%**	10.0%	10.0%	7.7%	4.4%	2.4%
Full-time equivalent employees	**100**	99	99	106	115	117
Number of new startup technology companies locating at Innovation Place	**10**	6	10	6	10	9

Investment & Economic Growth

Key Financial Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Net (loss) earnings	**$ (1.4M)**	$ (2.3M)	$ (2.4M)	$ (4.0M)	$ 1.2M	$ (0.2M)
Loans receivable	**$ 58.4M**	$ 83.0M	$ 83.0M	$ 58.8M	$ 43.8M	$ 34.3M
Efficiency ratio[1]	**237.9%**	222.8%	222.8%	192.2%	135.6%	119.4%
Dollars repaid by developers	**$ 71.1M**	$ 77.4M	$ 87.0M	$ 59.5M	$ 65.4M	$ 7.1M

[1] Efficiency ratio is defined as approved project amounts divided by funds available for investment since inception of the HeadStart on a Home program.

Comparison of twelve months ended March 31, 2017 with March 31, 2016

- SIIF was established to participate in the Government of Canada's Immigrant Investor Program (IIP). SIIF uses IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assists developers in building affordable housing in Saskatchewan.
- There was a decline in loans advanced to builders as the focus of SIIF has shifted to monitoring and managing its loan portfolio to facilitate the repayment of IIP funds to the Government of Canada.
- Earnings increased by $0.9 million to a loss of $1.4 million in the twelve months ended March 31, 2017 (2015-16 – $2.3 million loss), due to a decrease of $0.5 million in loan impairment losses, an increase in finance income, and a decrease in management fees.
- Net finance income increased by $0.2 million to $1.5 million (2015-16 – $1.3 million). Interest expense decreased by $0.9 million as a result of the declining balance of debt due to the Government of Canada. This was partially offset by a decline in interest income of $0.7 million due to a reduction in loans receivable.
- Management fees decreased by $0.3 million to $1.4 million (2015-16 – $1.7 million). Management fees are based on a percentage of outstanding loans receivable.
- At March 31, 2017, SIIF had $38.8 million (2015-16 – $65.7 million) in cash and cash equivalents restricted for use in the Saskatchewan HeadStart on a Home program.

The HeadStart on a Home Program has impacted more than **1,700 families** through financing the construction of entry level homes in communities across Saskatchewan.

Key Operational Data

	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Housing starts	**196**	237	428	586	566	416
Units sold to home buyers	**331**	254	326	420	449	252

- Loans receivable declined to $58.4 million at March 31, 2017 (2015-16 – $83.0 million) as a result of the transition to the repayment phase of the HeadStart on a Home program as IIP funds continue to be repaid by SIIF.
- At March 31, 2017, SIIF had $128.6 million (2015-16 – $183.3 million) in debt, including accrued interest, due to the Government of Canada pursuant to the IIP.
- SIIF repaid $58.2 million (2015-16 – $18.5 million) to the Government of Canada's IIP, issued $47.7 million (2015-16 – $83.3 million) in new loans to builders and developers, and received $71.1 million (2015-16 – $77.4 million) in loan principal repayments for the year ended March 31, 2017.

2017-18 Outlook

- Loan balances and funds advanced to builders for construction are expected to continue to decline as SIIF maintains its focus on managing and monitoring its loan portfolio for the remainder of the HeadStart on a Home Program.
- SIIF will continue to repay funds to the Government of Canada for the balance of its mandate.

Key Enterprise Risks, Mitigations and Action Plans

- Concentration of credit risk relates to groups of counterparties that are engaged in similar activities, are located in the same geographic area, or have comparable economic characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. SIIF has material concentrations of credit risk on its loan receivables which are due from builders and developers located in Saskatchewan, and therefore could be similarly impacted by changes in the Saskatchewan economy. However, the loans are diversified with companies and in communities throughout Saskatchewan, and therefore may not be identically impacted by changes in the overall Saskatchewan economy. SIIF performs due diligence and maintains credit policies and limits in respect to potential loans. Credit risk is also mitigated through SIIF holding a security interest in the units constructed, and the land upon which the units are constructed, which are located in various communities throughout Saskatchewan.

Photo credit: Parliament Pointe Phase 1 – Regina, SK | Anagram HOMES

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 opposite. 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.

Blair Swystun, CFA	Cindy Ogilvie, CPA, CA
President & CEO	Vice President & CFO

June 19, 2017

Annual Statement of Management Responsibility

I, Blair Swystun, the 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, 2017.

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, 2017 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:

Blair Swystun, CFA
President & CEO

Cindy Ogilvie, CPA, CA
Vice President & CFO

June 19, 2017

Independent Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan

We have audited the accompanying consolidated financial statements of **Crown Investments Corporation of Saskatchewan**, which comprise the consolidated statement of financial position as at March 31, 2017 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Crown Investments Corporation of Saskatchewan as at March 31, 2017, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

Chartered Professional Accountants
June 19, 2017
Regina, Saskatchewan

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

	Note	2017	2016
ASSETS			
Current			
Cash and cash equivalents	6	**$ 158,184**	$ 270,491
Short-term investments	7	**240,532**	246,359
Short-term investments under securities lending program	7	**61,595**	63,768
Accounts receivable	8(d)	**952,161**	848,295
Derivative financial assets	8	**16,348**	11,374
Restricted cash and cash equivalents	9	**43,340**	71,270
Inventories	10	**326,183**	323,324
Prepaid expenses		**197,306**	178,736
Assets held-for-sale	11	**5,637**	-
		2,001,286	2,013,617
Restricted cash and cash equivalents	9	**4,668**	4,724
Investments	7	**1,467,933**	1,418,289
Investments under securities lending program	7	**161,361**	94,289
Investments in equity accounted investees	12	**133,970**	120,464
Property, plant and equipment	13	**13,693,154**	13,162,879
Investment property	14	**163,872**	166,424
Intangible assets	15	**427,047**	409,464
Other assets		**12,033**	12,230
		$ 18,065,324	$ 17,402,380
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		**$ 14,381**	$ -
Trade and other payables		**810,367**	718,426
Derivative financial liabilities	8	**181,592**	266,086
Notes payable	16	**1,382,678**	1,523,083
Deferred revenue	17	**524,299**	509,657
Provisions	18	**221,152**	195,058
Finance lease obligations	19	**14,225**	12,019
Long-term debt due within one year	20	**207,833**	263,935
		3,356,527	3,488,264
Provisions	18	**671,680**	625,578
Finance lease obligations	19	**1,122,626**	1,132,497
Long-term debt	20	**7,446,988**	6,884,256
Employee future benefits	21	**384,765**	464,085
Other liabilities	22	**220,298**	218,445
		13,202,884	12,813,125
Province of Saskatchewan's Equity			
Equity advances		**908,889**	908,889
Contributed surplus		**85**	85
Retained earnings		**3,983,870**	3,804,178
Accumulated other comprehensive loss	24	**(30,404)**	(123,897)
		4,862,440	4,589,255
		$ 18,065,324	$ 17,402,380

Commitments and contingencies 25

(See accompanying notes)

On behalf of the Board:

Director Director

CIC CONSOLIDATED

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

	Note	**Twelve Months 2017**	Fifteen Months 2016
INCOME FROM OPERATIONS			
Revenue	26	**$ 5,298,937**	$ 6,474,516
Other income	26	**14,076**	4,743
		5,313,013	6,479,259
EXPENSES			
Operating		**2,454,375**	3,226,920
Salaries, wages and short-term employee benefits		**883,571**	1,078,896
Employee future benefits	21	**69,852**	84,742
Depreciation and amortization	27	**823,039**	974,842
Loss on disposal of property, plant and equipment		**38,404**	30,262
Impairment losses	28	**32,320**	22,162
Research and development		**186**	341
(Recovery of) provision for decommissioning and environmental remediation liabilities	18	**(213)**	3,629
Saskatchewan taxes and fees	29	**165,706**	193,728
		4,467,240	5,615,522
RESULTS FROM OPERATING ACTIVITIES		**845,773**	863,737
Finance income	30	**154,207**	224,825
Finance expenses	30	**(607,848)**	(753,733)
NET FINANCE EXPENSES		**(453,641)**	(528,908)
EARNINGS FROM OPERATIONS		**392,132**	334,829
Share of net earnings from equity accounted investees	12	**6,276**	7,233
Net gain (loss) on sale of equity accounted investees		**234**	(84)
NET EARNINGS		**398,642**	341,978
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified subsequently to net earnings:			
Unrealized gains on cash flow hedges		**14,534**	15,103
Realized losses on cash flow hedges		**(10,557)**	(46,211)
Amounts amortized to net earnings and included in finance income		**558**	(7)
Items that will not be reclassified to net earnings:			
Impact of changes in actuarial assumptions on defined benefit pension plans	21	**(22,318)**	(41,464)
Impact of changes in actuarial assumptions on other defined benefit plans	21	**(201)**	(976)
Return on pension plan assets (excluding interest income)	21	**111,477**	8,392
OTHER COMPREHENSIVE INCOME (LOSS)		**93,493**	(65,163)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 492,135**	$ 276,815

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Consolidated Statement of Changes in Equity
For the Period Ended March 31
(thousands of dollars)

	Attributable to the Province of Saskatchewan				
	Equity Advances	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss (Note 24)	Total Equity
Balance at January 1, 2015	$ 908,889	$ 85	$ 3,759,399	$ (58,734)	$ 4,609,639
Total comprehensive income (loss)	-	-	341,978	(65,163)	276,815
Dividends to General Revenue Fund (GRF)	-	-	(297,199)	-	(297,199)
Balance at March 31, 2016	908,889	85	3,804,178	(123,897)	4,589,255
Total comprehensive income	**-**	**-**	**398,642**	**93,493**	**492,135**
Dividends to GRF	**-**	**-**	**(218,950)**	**-**	**(218,950)**
Balance at March 31, 2017	**$ 908,889**	**$ 85**	**$ 3,983,870**	**$ (30,404)**	**$ 4,862,440**

(See accompanying notes)

CIC CONSOLIDATED

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

	Note		Twelve Months 2017		Fifteen Months 2016
OPERATING ACTIVITIES					
Net earnings		$	398,642	$	341,978
Adjustments to reconcile net earnings to cash from operating activities	31		1,251,382		1,663,220
			1,650,024		2,005,198
Net change in non-cash working capital balances related to operations			47,548		(244,199)
Interest paid			(515,652)		(635,045)
Net cash from operating activities			1,181,920		1,125,954
INVESTING ACTIVITIES					
Interest received			36,479		44,214
Dividends received			2,304		5,479
Purchase of investments			(960,997)		(1,311,377)
Proceeds from sale and collection of investments			947,033		1,265,343
Purchase of property, plant and equipment			(1,331,607)		(1,712,127)
Costs related to sale of property, plant and equipment			(5,651)		(517)
Purchase of intangible assets			(94,293)		(111,145)
Purchase of investment property			(11,448)		(4,881)
Decrease in restricted cash and cash equivalents			27,986		43,114
Increase in government grants			6,683		4,939
Net cash used in investing activities			(1,383,511)		(1,776,958)
FINANCING ACTIVITIES					
(Decrease) increase in notes payable			(140,405)		169,714
Decrease in other liabilities			(1,288)		(28,021)
Debt proceeds from GRF			768,300		861,127
Debt repayments to GRF			(200,221)		(54,807)
Debt proceeds from other lenders			482		2,381
Debt repayments to other lenders			(75,662)		(37,879)
Sinking fund installments			(68,828)		(81,548)
Sinking fund redemptions			11,475		11,486
Dividend paid to GRF			(218,950)		(297,199)
Net cash from financing activities			74,903		545,254
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD			(126,688)		(105,750)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD			270,491		376,241
CASH AND CASH EQUIVALENTS, END OF PERIOD		$	143,803	$	270,491
Cash and cash equivalents consists of:					
Cash and cash equivalents	6	$	158,184	$	270,491
Bank indebtedness			(14,381)		-
		$	143,803	$	270,491

(See accompanying notes)

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 19, 2017.

b) Change of year end

The Corporation was directed by the provincial government to change its fiscal year end to March 31 to coincide with that of the Province of Saskatchewan. Information included in the consolidated financial statements reflects the second complete fiscal period consisting of the twelve months ended March 31, 2017, as compared to the fifteen month period ended March 31, 2016. As a result, information contained in these consolidated financial statements may not be comparable with previously reported information.

c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- Inventory at net realizable value (Note 4(c)).
- Financial assets and liabilities at fair value through profit or loss are measured at fair value (Note 8).
- 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 21).

d) Functional and presentation currency

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

e) 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 property, plant and equipment (Note 13, 27, and 28), intangible assets (Note 15, 27, and 28), investment property, (Note 14 and 27), provisions (Note 18), accounts receivable, inventories (Note 10), investments (Note 7 and 28), and investments

2. Basis of preparation *(continued)*

e) Use of estimates *(continued)*

in equity accounted investees (Note 12), 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 21), and the measurement of commitments and contingencies (Note 25).

f) 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.

3. Application of revised accounting standards

The following new standards and amendments to standards, effective for annual periods beginning on or after January 1, 2016, have been applied in preparing these consolidated financial statements:

- IAS 1, *Presentation of financial statements*
- IAS 16, *Property, plant and equipment* and IAS 38, *Intangible assets*
- IFRS 11, *Joint arrangements*
- *Annual Improvements Cycle 2012-2014*

The adoption of 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. 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 accounts of Gradworks Inc., a wholly-owned non-profit subsidiary, and the following wholly-owned share capital subsidiaries: CIC Asset Management Inc.; First Nations and Métis Fund Inc.; CIC Economic Holdco Ltd.; and Saskatchewan Immigrant Investor Fund Inc. (SIIF), all of which are domiciled in Canada.

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:

4. Significant accounting policies *(continued)*

a) Basis of consolidation *(continued)*

Subsidiaries *(continued)*

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 Transportation Company (STC) (Note 13)	Passenger and freight transportation
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

Joint operations 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 assets, and obligations for the liabilities, related to the arrangement. The consolidated financial statements include the Corporation's proportionate share of joint operation assets, incurred liabilities, income and expenses. The Corporation has classified the following as joint operations:

i) Kisbey Gas Gathering and Processing Facility (Kisbey)

The Corporation has a 50.0 per cent interest in Kisbey, which operates natural gas processing facilities in Saskatchewan.

4. Significant accounting policies *(continued)*

a) Basis of consolidation *(continued)*

Joint operations *(continued)*

ii) 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.

iii) Cory Cogeneration Station (Cory)

The Corporation has a 50.0 per cent interest in an unincorporated joint venture with ATCO Power Canada Ltd. The joint venture owns and operates a 249 MW natural gas-fired, cogeneration power plant (Cory Cogeneration Station) in Saskatchewan. The electricity generated by the facility is sold to the Corporation under the terms of a 25 year power purchase agreement.

iv) BHP Billiton SaskPower Carbon Capture and Storage Knowledge Centre Inc.

The Corporation has a 50.0 per cent interest in BHP Billiton SaskPower Carbon Capture and Storage (CCS) Knowledge Centre Inc. 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 related thereto as agreed upon by its members from time to time.

Special purpose entities

The Corporation has established certain special purpose entities (SPEs) for trading and investment purposes. The Corporation does not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Corporation and the SPE's risks and rewards, the Corporation concludes that it controls the SPE. SPEs controlled by the Corporation were established under terms that impose strict limitations on the decision-making powers of the SPE's management and that result in the Corporation receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to risks incident to the SPE's activities, and retaining the majority of the residual or ownership risks related to the SPE or its assets.

The Corporation has two SPEs, Meadow Lake Pulp Limited Partnership and 212822 Saskatchewan Ltd. These SPEs are not material to the Corporation's consolidated results.

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.

4. Significant accounting policies *(continued)*

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) Property, plant and equipment

Property, plant and equipment are 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.

e) Depreciation of property, plant and equipment

Depreciation is calculated over 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 - 100 years
Buildings and improvements	3 - 100 years
Coal properties and rights	21 years

The useful life and depreciation method are reviewed periodically to ensure consistency with the expected pattern of economic benefits from these assets.

4. Significant accounting policies *(continued)*

e) Depreciation of property, plant and equipment *(continued)*

Assets held under finance leases are depreciated over the expected useful economic life of each asset on the same basis as for owned assets, or where shorter, the lease term.

f) Intangible assets

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

The Corporation measures goodwill as the fair value of the consideration transferred less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in net earnings.

Subsequent to acquisition, goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted investee.

On disposal of a subsidiary or a joint operation, the attributed amount of goodwill is included in the determination of the gain or loss on disposal.

Research and development

Expenditures on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, are recognized in net earnings when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if the amount can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Corporation intends to and has sufficient resources to complete development and to use or sell the asset. Expenditures capitalized include the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Interest costs related to the development of qualifying assets are capitalized. Other development expenditures are recognized in net earnings as incurred.

Capitalized development expenditures are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in the Consolidated Statement of Comprehensive Income on a straight-line basis over the estimated useful life of 1 to 7 years.

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. Customer accounts acquired are measured at cost less accumulated amortization and any accumulated impairment losses, and are amortized on a straight-line basis over an estimated useful life of 2 to 13 years from the date of acquisition.

4. Significant accounting policies *(continued)*

f) Intangible assets *(continued)*

Finite-life intangibles *(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.

g) 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.

h) Deferred supply agreements

Deferred supply agreements include payments made in accordance with long-term coal supply agreements. The Corporation is amortizing the deferred assets over the remaining life of the long-term coal supply agreements.

i) Financial instruments

The Corporation classifies its financial instruments into one of the following categories: fair value through profit or loss; held-to-maturity; loans and receivables; and other liabilities.

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.

4. Significant accounting policies *(continued)*

i) Financial instruments *(continued)*

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.

Financial instruments at fair value through profit or loss

Financial assets and financial liabilities are classified as fair value through profit or loss if those instruments are held for trading or designated as such upon initial recognition. A financial asset or financial liability is classified as held for trading if it has been acquired with the intention of generating profits in the near term or is part of a portfolio of financial instruments that are managed together where there is evidence of a recent pattern of short-term profit taking. A financial asset or financial liability is designated as fair value through profit or loss if the Corporation manages such instruments and makes decisions based on the fair value of those instruments in accordance with the Corporation's documented risk management or investment strategy. Subsequent to initial recognition, financial assets and financial liabilities at fair value through profit or loss are measured at fair value with any revaluation gains and losses recognized in net earnings. 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, sinking funds, restricted cash and cash equivalents, certain investments included in Note 7, and bank indebtedness as financial instruments at fair value through profit or loss.

Financial assets held-to-maturity

As disclosed in Note 7, the Corporation classifies certain investments as held-to-maturity. A financial asset is classified as held-to-maturity if it is designated as such upon initial recognition. Held-to-maturity financial assets have a fixed maturity date, where the Corporation intends and has the ability to hold to maturity. Held-to-maturity investments, after initial recognition, are accounted for at amortized cost using the effective interest method, less any impairment losses.

Loans and receivables

As disclosed in Note 7, the Corporation classifies accounts receivable and certain investments as loans and receivables. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are accounted for at amortized cost using the effective interest method, less any impairment losses.

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.

4. Significant accounting policies *(continued)*

i) Financial instruments *(continued)*

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.

Other liabilities

Other liabilities are non-derivative financial liabilities that are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial liabilities are accounted for at amortized cost using the effective interest method. The Corporation classifies trade and other payables, notes payable, long-term debt and finance lease obligations as other liabilities.

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 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 financial instruments 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 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. As such, the effective portion of the changes in fair value related to the derivative financial instruments have been recognized in other comprehensive income (loss), with the fair value being recognized as derivative financial assets or liabilities on the Consolidated Statement of Financial Position. When the derivatives 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 held for trading 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).

4. Significant accounting policies *(continued)*

i) Financial instruments *(continued)*

Derivative instruments *(continued)*

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.

Derivatives may be embedded in other host instruments. Embedded derivatives are treated as separate derivatives when the economic characteristics and risks are not closely related to those of the host instrument, the embedded derivative has the same terms as those of a stand-alone derivative and the combined contract is not measured at fair value through profit or loss. Embedded derivatives are 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

A financial asset that is not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset which can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Corporation on terms that the Corporation would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Corporation considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment, the Corporation uses historical trends of the probability of default, the timing of recoveries, and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss, in respect of a financial asset measured at amortized cost, is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in net earnings and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net earnings. An impairment loss is reversed only to the extent that the

4. Significant accounting policies *(continued)*

j) Impairments *(continued)*

Financial assets *(continued)*

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.

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 goodwill, and 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 discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment ceiling test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

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 first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

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.

4. Significant accounting policies *(continued)*

k) Provisions *(continued)*

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, natural gas, cogeneration and wind generation facilities in the period in which the facility is 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.

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.

4. Significant accounting policies *(continued)*

l) Revenue

Natural gas sales and delivery

Revenue is recognized when natural gas is delivered to customers. An estimate of natural gas delivered, but not billed, is included in net earnings.

Natural gas transportation and storage

Revenue is recognized when transportation, storage and related services are provided to the customer. An estimate of transportation, storage and related services rendered but not billed is included in net earnings.

Electricity

Electricity pricing in Saskatchewan is subject to review by the Saskatchewan Rate Review Panel with final approval by provincial cabinet. Saskatchewan electricity sales and exports are recognized upon delivery to the customer and include an estimate of electricity deliveries not yet billed at period-end. The estimated unbilled revenue is based on several factors, including estimated consumption by customer, applicable customer rates and the number of days between the last billing date and the end of the period. Electricity trading contracts are recorded at fair value.

Telecommunications

Telecommunications revenue represents the fair value of the consideration received or receivable for the services provided and equipment sales, net of discounts, volume rebates and sales taxes. Revenue from the sale of equipment and rendering of services is recognized in the period the services are provided or the equipment is sold, when there is persuasive evidence that an arrangement exists, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Corporation and, in the case of equipment sales, when the significant risks and rewards of ownership of the goods are transferred to the buyer. Where the Corporation acts as an agent in a transaction, amounts collected on behalf of the principal are excluded from revenue.

Revenues from telecommunications, data, internet, and entertainment are recognized based on access to the Corporation's network and facilities at the rate plans in effect during the period the service is provided. Certain service connection charges and activation fees, along with corresponding direct costs are deferred and recognized over the average expected term of the customer relationship. Revenues from long distance and wireless airtime are recognized based on the usage or rate plans in the period service is provided.

Revenues for longer term contracts are recognized in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. Payments received in advance are recorded as deferred revenue until the product or service is delivered.

Customer solutions may involve the delivery of multiple services and products that occur at different points and over different periods of time. The multiple services are separated into respective accounting units and consideration is allocated among the accounting units. The relevant revenue recognition policies are applied to each accounting unit. When an amount allocated to a delivered item is contingent upon the delivery of additional items or meeting specified performance conditions, the amount allocated to that delivered item is limited to the non-contingent amount.

4. Significant accounting policies *(continued)*

l) Revenue *(continued)*

Telecommunications *(continued)*

When the Corporation receives no identifiable separate benefit for consideration given to a customer (discounts and rebates), the consideration is recorded as a reduction of revenue rather than as an expense.

The Canadian Radio-television and Telecommunications Commission (CRTC) has established a National Subsidy Fund to subsidize Local Exchange Carriers (LECs), like the Corporation, that provide service to residential customers located in high cost service areas (HCSAs). The CRTC has set the rate per line and band for all LECs. The Corporation recognizes the revenue on an accrual basis by applying the rate to the number of residential network access lines served during the period in HCSAs.

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 (Note 17) 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.

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.

Customer contributions

The Corporation obtains customer contributions related to the construction of new natural gas, electricity, water and wastewater service connections.

Customer contributions for natural gas and electricity service are recognized initially as deferred revenue and are recognized into net earnings once the related property, plant and equipment is available for use. 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.

4. Significant accounting policies *(continued)*

l) Revenue *(continued)*

Customer contributions *(continued)*

Customer contributions received from water and wastewater customers are recognized initially as other 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.

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.

4. Significant accounting policies *(continued)*

o) Employee future benefits *(continued)*

Defined benefit pension plans

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, comprise 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 other comprehensive income (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.

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.

4. Significant accounting policies *(continued)*

p) Short-term employee benefits

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

q) Assets held-for-sale

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than continuing use are classified as held-for-sale. Immediately before classification as held-for-sale, the assets (or components of a disposal group) are re-measured in accordance with the Corporation's accounting policies. Thereafter, generally the assets (or disposal group) are measured at the lower of the carrying amount and the fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro-rata basis, except that no loss is allocated to inventories, employee future benefit assets, or investment property, which continue to be measured in accordance with the Corporation's accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognized in net earnings. Gains are not recognized in excess of cumulative impairment losses.

r) 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.

s) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risk and rewards of ownership to the Corporation. The Corporation has assessed its arrangements to determine whether or not leases exist. Certain take-or-pay power purchase agreements which, in management's judgement, give the Corporation the exclusive right to use specific production assets, meet the definition of a lease. These arrangements are classified as finance leases.

Assets held under finance leases are initially recognized at the lower of fair value at the inception of the lease or the present value of the minimum lease payments. The corresponding liability is recorded as a finance lease obligation. Each lease payment is allocated between the liability and interest so as to achieve a constant rate on the finance balance outstanding. The interest component is included in finance expense.

All other transactions in which the Corporation is the lessee are classified as operating leases. Payments made under operating leases are expensed over the term of the lease.

4. Significant accounting policies *(continued)*

t) New accounting standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee that are not yet effective for the twelve months ended March 31, 2017. These include:

IAS 7, *Statement of Cash Flows*

In January 2016, the IASB issued amendments to IAS 7, *Statement of Cash Flows* to require a reconciliation of opening and closing liabilities that form part of an entity's financing activities, including both changes arising from cash flows and non-cash changes. The amendments are effective for reporting periods beginning on or after January 1, 2017 and will be applied prospectively. The Corporation is currently evaluating the impact of these amendments on the consolidated financial statements.

IFRS 9, *Financial Instruments*

In July 2014, the final version of IFRS 9, *Financial Instruments* was issued. The standard sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. It has also modified the hedge accounting model to better link the economics of risk management with the accounting treatment of hedges. The standard is effective for reporting periods beginning on or after January 1, 2018 and applied retrospectively with certain exceptions. Hedge accounting requirements under IFRS 9 are generally applied prospectively.

The Corporation is exposed to natural gas price risk from natural gas purchased for the production of electricity through certain power purchase agreements that have a cost component based on the market price of natural gas. To manage this price risk, the Corporation enters into derivative swap instruments. Upon adoption of IFRS 9, the Corporation will elect to apply hedge accounting to the majority of these derivative instruments. As a result, the effective portion of the changes in the fair value related to these derivative financial instruments will be recognized in OCI. The Corporation will also reclassify its debt retirement funds from fair value through profit and loss to fair value through OCI. This will result in any changes in fair value being recorded through OCI rather than profit or loss. Early adoption is permitted and the Corporation plans to early adopt IFRS 9 effective April 1, 2017.

IFRS 15, *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers*. The new standard establishes principles to record revenues from contracts for the sale of goods or services, unless the contracts are in the scope of other IFRS standards. Under IFRS 15, revenue is recognized at an amount that reflects the expected consideration receivable in exchange for transferring goods or services to a customer, applying the following five steps:

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price.
4. Allocate the transaction price to the performance obligations in the contract.
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

4. Significant accounting policies *(continued)*

t) New accounting standards and interpretations not yet adopted *(continued)*

IFRS 15, *Revenue from Contracts with Customers* *(continued)*

The new standard also provides guidance relating to contract costs and for the measurement and recognition of gains and losses on the sale of certain non-financial assets such as property and equipment. Additional disclosures will also be required under the new standard. IFRS 15 must be adopted for annual periods beginning on or after January 1, 2018 using either a full retrospective approach for all periods presented in the period of adoption or a modified retrospective approach. Early adoption is permitted.

IFRS 15 will affect how the Corporation accounts for revenues and contract costs for certain operations and segments. The Corporation anticipates that the timing of telecommunications revenue will be significantly affected. The Corporation is in the process of assessing the impact of the adoption of the standard on the consolidated financial statements.

IFRS 16, *Leases*

In January 2016, IFRS 16, *Leases* was issued. IFRS 16 replaces IAS 17, *Leases*. Under the new standard, all leases will be brought onto companies' balance sheets. IFRS 16 also removes the classification of leases as either operating leases or finance leases (for the lessee - the lease customer), treating all leases as finance leases. IFRS 16 must be adopted for annual periods beginning on or after January 1, 2019 and applied retrospectively with certain practical expedients available. Early adoption is permitted.

IFRS 16 will affect the classification, measurement and valuation of leases. The Corporation is currently assessing the impact of the standard on the consolidated financial statements.

IFRS 17, *Insurance Contracts*

In May 2017, the IASB issued IFRS 17, *Insurance Contracts* on the accounting for insurance contracts, which would replace IFRS 4, *Insurance Contracts*. IFRS 17 applies to annual periods beginning on or after January 1, 2021, with earlier application permitted if IFRS 15 and IFRS 9 are also adopted. The standard represents a comprehensive IFRS accounting model for insurance contracts and is expected to have a significant impact on financial reporting of insurers. The Corporation is in the process of assessing the impact of the new proposed standard.

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)

	2017	2016
Cash	**$ 110,180**	$ 141,796
Short-term investments	**48,004**	128,695
	$ 158,184	$ 270,491

The weighted average interest rate for short-term investments included in cash and cash equivalents at March 31, 2017 was 0.6 per cent (2016 - 0.7 per cent).

7. Investments

(thousands of dollars)

	2017	2016
Short-term investments		
Short-term investments - at fair value through profit or loss	**$ 112,054**	$ 150,997
Loans receivable - Immigrant Investor Program (IIP) (a)	**67,822**	85,002
Bonds and debentures - held to maturity	**53,935**	-
Sinking funds - at fair value through profit or loss (b)	**6,721**	10,360
	$ 240,532	$ 246,359
Portfolio investments		
Portfolio investments - at fair value through profit or loss	**$ 369,378**	$ 327,497
Bonds, debentures, loans and notes receivable		
Bonds and debentures - at fair value through profit or loss	**235,377**	233,136
Bonds and debentures - held to maturity	**-**	53,858
Loans receivable - IIP (a)	**15,531**	28,155
	250,908	315,149
Leases receivable	**3,004**	3,056
Sinking funds - at fair value through profit or loss (b)	**844,643**	770,402
Other - at fair value through profit or loss	**-**	2,185
	$ 1,467,933	$ 1,418,289
Securities lending program (c)		
Short-term investments		
Short-term investments - at fair value through profit or loss	**$ 61,595**	$ 63,768
Portfolio investments		
Portfolio investments - at fair value through profit or loss	**$ 11,779**	$ -
Bonds, debentures, loans and notes receivable		
Bonds and debentures - at fair value through profit or loss	**149,582**	94,289
	$ 161,361	$ 94,289

a) Included in loans receivable is $42.8 million (2016 - $54.9 million) of current loans and $15.5 million (2016 - $28.2 million) of non-current loans with various builders and developers which are used to construct housing units for subsequent sale to eligible parties pursuant to the HeadStart on a Home program (Note 9(b)). Principal is repayable on demand. In the absence of a demand for principal repayment, principal is repayable upon the sale of individual units and no later than loan maturity which is defined as 16 - 18 months from the date the loan is advanced.

7. Investments *(continued)*

(thousands of dollars)

Accrued interest is payable on demand. In the absence of such demand, interest is payable monthly. Interest is subject to the following terms:

i) At a fixed rate of 4.0 per cent calculated daily and payable monthly in arrears during construction;
ii) In the event of default, the borrower pays interest at a fixed rate of 4.0 per cent with interest on overdue interest at the same rate, compounded monthly; and
iii) Upon demand being made, interest is payable both before and after maturity or default at the rate of the Bank of Canada prime rate plus 5.0 per cent with interest on overdue interest at the same rate, compounded monthly.

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

	Twelve Months 2017	Fifteen Months 2016
Sinking funds, beginning of period	**$ 780,762**	$ 681,096
Net installments	**57,353**	70,062
Earnings	**18,726**	48,309
Valuation adjustment	**(5,477)**	(18,705)
Sinking funds, end of period	**851,364**	780,762
Less current portion	**(6,721)**	(10,360)
	$ 844,643	$ 770,402

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

2018	$ 73,674
2019	75,084
2020	74,488
2021	74,158
2022	68,225

c) Through its custodian, the Corporation participates in an investment securities lending program for the purpose of generating fee income. When securities are loaned, the Corporation is exposed to counterparty risk, which is the risk that the borrower will not return the loaned securities, or if the collateral is liquidated, it may be for less than the value of the loan. The Corporation mitigates this risk through non-cash collateral and a guarantee provided by its custodian. Non-cash collateral of at least 105.0 per cent of the market value of the loaned securities is retained by the Corporation until the loaned securities have been returned. The market value of the loaned securities is monitored on a daily basis with additional collateral obtained or refunded as the market value of the loaned securities fluctuates. In addition, the custodian provides indemnification against any potential losses in the securities lending program. While in the possession of counterparties, the loaned securities may be resold or repledged by such counterparties.

At March 31, 2017, the Corporation held collateral of $234.1 million (2016 - $166.0 million) for the loaned securities.

d) The Corporation holds one Class B share of Cameco Corporation (Cameco) which provides the Corporation with the ability to exercise special voting rights with respect to the location of Cameco's head office.

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. 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)

		2017		2016	
Financial Instruments	Classification (i)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	FVTPL	**$ 158,184**	**$ 158,184**	$ 270,491	$ 270,491
Accounts receivable	LAR	**952,161**	**952,161**	848,295	848,295
Derivative financial assets	FVTPL	**16,348**	**16,348**	11,374	11,374
Restricted cash and cash equivalents	FVTPL	**48,008**	**48,008**	75,994	75,994
Investments - amortized cost	HTM	**53,935**	**53,935**	53,858	53,858
Investments - sinking funds - fair value	FVTPL	**851,364**	**851,364**	780,762	780,762
Investments - fair value	FVTPL	**939,765**	**939,765**	871,872	871,872
Investments - loans	LAR	**3,004**	**(ii)**	3,056	(ii)
Investments - loans - IIP	LAR	**83,353**	**82,924**	113,157	112,838
Financial Liabilities					
Bank indebtedness	FVTPL	**14,381**	**14,381**	-	-
Trade and other payables	OL	**810,367**	**810,367**	718,426	718,426
Derivative financial liabilities	FVTPL	**181,592**	**181,592**	266,086	266,086
Notes payable	OL	**1,382,678**	**1,382,678**	1,523,083	1,523,083
Long-term debt	OL	**7,654,821**	**8,776,919**	7,148,191	8,476,830
Finance lease obligations	OL	**1,136,851**	**1,269,385**	1,144,516	1,287,176

		2017		2016	
Derivative Instruments	Classification (i)	**Asset**	**(Liability)**	Asset	(Liability)
Physical natural gas contracts	FVTPL	**$ 5,065**	**$ (34,701)**	$ 11,229	$ (87,437)
Natural gas price swaps	FVTPL	**-**	**(146,716)**	-	(174,725)
Electricity contracts for differences	FVTPL	**14**	**(12)**	145	(282)
Physical electricity forwards	FVTPL	**-**	**(99)**	-	(397)
Foreign exchange forwards	FVTPL	**-**	**(64)**	-	-
Bond forward agreements	FVTPL	**11,269**	**-**	-	(3,245)
		$ 16,348	**$ (181,592)**	$ 11,374	$ (266,086)

CIC CONSOLIDATED

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

Financial risk management *(continued)*

i) Classification details are:

FVTPL - fair value through profit or loss
HTM - held-to-maturity
LAR - loans and receivables
OL - other liabilities

ii) The uncertainty and potentially broad range of fair values for investments - loans (loans and receivables), renders the disclosure of a fair value with appropriate reliability impractical.

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):

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 158,184**	**$ -**	**$ -**	**$ 158,184**
Restricted cash and cash equivalents	**48,008**	**-**	**-**	**48,008**
Bank indebtedness	**14,381**	**-**	**-**	**14,381**
Notes payable	**1,382,678**	**-**	**-**	**1,382,678**
Investments carried at fair value through profit or loss	**383,976**	**1,244,418**	**162,735**	**1,791,129**
Investments - amortized cost	**-**	**53,935**	**-**	**53,935**
Investments - loans - IIP	**-**	**82,924**	**-**	**82,924**
Finance lease obligations	**-**	**1,269,385**	**-**	**1,269,385**
Long-term debt	**-**	**8,776,919**	**-**	**8,776,919**
Physical natural gas contracts - net	**-**	**(29,636)**	**-**	**(29,636)**
Natural gas price swaps - net	**-**	**(146,716)**	**-**	**(146,716)**
Electricity contracts for differences - net	**-**	**2**	**-**	**2**
Physical electricity forwards - net	**-**	**(99)**	**-**	**(99)**
Foreign exchange forwards - net	**-**	**(64)**	**-**	**(64)**
Bond forwards - net	**-**	**11,269**	**-**	**11,269**

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

Financial risk management *(continued)*

a) Fair value hierarchy *(continued)*

	2016			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 270,491	$ -	$ -	$ 270,491
Restricted cash and cash equivalents	75,994	-	-	75,994
Notes payable	1,523,083	-	-	1,523,083
Investments carried at fair value through profit or loss	407,564	1,102,695	142,375	1,652,634
Investments - amortized cost	-	53,858	-	53,858
Investments - loans - IIP	-	112,838	-	112,838
Finance lease obligations	-	1,287,176	-	1,287,176
Long-term debt	-	8,476,830	-	8,476,830
Physical natural gas contracts - net	-	(76,208)	-	(76,208)
Natural gas price swaps - net	-	(174,725)	-	(174,725)
Electricity contracts for differences - net	-	(137)	-	(137)
Physical electricity forwards - net	-	(397)	-	(397)
Bond forwards - net	-	(3,245)	-	(3,245)

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

	Twelve Months 2017	Fifteen Months 2016
Balance, beginning of period	**$ 142,375**	$ 106,440
Unrealized gains attributable to assets held at the end of the period included in impairment losses	**1,271**	1,781
Purchases	**21,574**	32,027
Sales	**(300)**	(1,050)
Other	**(2,185)**	3,177
Balance, end of period	**$ 162,735**	$ 142,375

During the period, 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, debentures, and certain loans related to IIP as disclosed in Note 7.

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.

CIC CONSOLIDATED

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

Financial risk management *(continued)*

a) Fair value hierarchy *(continued)*

i) Categorized as level 2 *(continued)*

The fair value of loans related to the IIP is calculated by discounting scheduled cash flows through to the estimated maturity of the loan using commercial interest rates for similar term loans.

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.

Level 3 includes a pooled mortgage fund and a 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.

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

Financial risk management *(continued)*

a) Fair value hierarchy *(continued)*

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.

Finance lease obligations

Finance lease obligations are valued using internal cash flow models based on contracted pricing in the Corporation's power purchase agreements. The contracted cash flows are discounted using the Government of Saskatchewan bond yields adjusted for a negotiated risk premium.

Derivative financial assets and liabilities

The fair value of electricity-related derivatives, physical natural gas contracts and natural gas price swaps is 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. The fair value of natural gas price options is determined using an industry-standard valuation model which requires the use of various assumptions, including quoted market values, interest rates, and volatility estimates for forward natural gas prices that are based on external market sources. Where contract prices are referenced to an index price that has been fixed, the market price has been used to estimate the contract price.

Bond forward fair values are determined using internal discounted cash flow models that rely on Government of Canada bond yields provided by independent reference dealers. The contracted cash flows are discounted using observable yield curves.

Foreign exchange forward fair values are determined using quoted market prices in active markets for similar financial instruments or current rates offered for financial instruments of similar maturity, as well as discounted future cash flows determined using current rates for similar financial instruments of similar maturities subject to similar risks.

Financial asset and liabilities legal rights to offset

Financial assets and liabilities are offset within the Consolidated Statement of Financial Position if the Corporation has the legal right to offset and intends to settle on a net basis. When natural gas contracts settle or become realized, the Corporation records the amount due to or from counterparties within accounts receivable or trade and other payables. The Corporation offsets these amounts when the counterparty and timing of settlements are the same, which reflects the Corporation's expected future cash flows from settling its natural gas contracts.

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

Financial risk management *(continued)*

a) Fair value hierarchy *(continued)*

Financial asset and liabilities legal rights to offset *(continued)*

At period-end, the following amounts were netted within the Consolidated Statement of Financial Position (thousands of dollars):

	2017	2016
Accounts receivable		
Gross amount recognized	**$ 15,119**	$ 10,249
Amount offset	**(10,529)**	(7,573)
Net amount presented within the Consolidated Statement of Financial Position	**$ 4,590**	$ 2,676
Trade and other payables		
Gross amount recognized	**$ 27,044**	$ 29,350
Amount offset	**(10,529)**	(7,573)
Net amount presented within the Consolidated Statement of Financial Position	**$ 16,515**	$ 21,777

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.

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):

	Twelve Months 2017	Fifteen Months 2016
Revenue	**$ (7,502)**	$ (10,185)
Operating expenses	**82,770**	(83,690)
Increase (decrease) in net earnings	**$ 75,268**	$ (93,875)

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

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

Financial risk management *(continued)*

c) Market risk *(continued)*

Power generation *(continued)*

market price of natural gas. As at March 31, 2017, 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:

2018	64.0%	2024	19.0%
2019	56.0%	2025	11.0%
2020	49.0%	2026	6.0%
2021	37.0%	2027	1.0%
2022	36.0%	2028	1.0%
2023	27.0%		

Based on the Corporation's March 31, 2017 closing positions on its financial natural gas hedges, a $1 per gigajoule (GJ) increase in the price of natural gas would have resulted in an $88.0 million (fifteen months 2016 - $114.0 million) increase in unrealized market value adjustments recognized in net earnings in the period. 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, 2017.

The Corporation is exposed to electricity price risk on its electricity trading activities. Electricity trading risks are managed through limits on the size and duration of transactions and open positions, including Value at Risk (VaR) limits. VaR is the most commonly used metric employed to track and manage the market risk associated with trading positions. A VaR measure gives, for a specific confidence level, an estimated potential loss that could be incurred over a specified period of time. VaR is used to measure the potential change in value for the proprietary trading portfolio, over a 10 day period with a 95.0 per cent confidence level, resulting from normal market fluctuations. VaR is estimated using the historical variance/co-variance approach.

VaR has certain inherent limitations. The use of historical information in the estimate assumes that price movements in the past will be indicative of future market risk. As such, it may be only meaningful under normal market conditions. Extreme market events are not addressed by this risk measure. In addition, the use of a 10 day measurement period implies that positions can be unwound or hedged within that period; however, this may not be possible if the market becomes illiquid. The Corporation recognizes the limitations of VaR and actively uses other controls, including restrictions on authorized instruments, volumetric and term limits, stress-testing of individual portfolios and of the total proprietary trading portfolio, and management review.

As at March 31, 2017, the VaR associated with electricity trading activities was Nil (2016 - Nil).

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

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

Financial risk management *(continued)*

c) Market risk *(continued)*

Natural gas sales *(continued)*

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, VaR and net exposure to monitor natural gas price risk.

Based on the Corporation's period-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 $19.0 million (fifteen months 2016 - $60.0 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 $20.0 million (fifteen months 2016 - $61.0 million).

Equity price risk

Equity price risk represents the potential for loss from changes in the value of equity investments.

The Corporation is exposed to changes in equity prices in Canadian and global markets. The fair value of these equities at March 31, 2017 was $210.3 million (2016 - $192.8 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 years).

Asset Class (thousands of dollars)		**2017**		2016
Canadian equities	**+/-**	**$ 10,207**	+/-	$ 10,896
Global equities	**+/-**	**29,007**	+/-	23,111
Global small cap equities	**+/-**	**5,386**	+/-	4,162

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

Financial risk management *(continued)*

c) Market risk *(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 result in an increase or decrease in net earnings of approximately $4.4 million at March 31, 2017 (fifteen months 2016 - $4.5 million).

The Corporation has on deposit with the GRF, under the administration of the Saskatchewan Ministry of Finance, $851.4 million (2016 - $780.8 million) in sinking funds required for certain long-term debt issues. At March 31, 2017, 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, 2017, a change in interest rates of 1.0 per cent would have a $70.6 million impact on net earnings (fifteen months 2016 - $73.4 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 interest rates of 1.0 per cent would decrease or increase net earnings by $3.0 million at March 31, 2017 (fifteen months 2016 - $1.7 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, 2017. A 10.0 per cent weakening in the Canadian dollar versus the U.S. dollar exchange rate would have a $5.7 million favourable (fifteen months 2016 - $9.7 million unfavourable) impact on net earnings while a 10.0 per cent strengthening would have a $5.7 million unfavourable (fifteen months 2016 - $9.7 million favourable) impact on net earnings.

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.

The Corporation has concentrations of credit risk on its loans receivable which are due from builders and developers located in Saskatchewan and therefore could be similarly impacted by changes in the Saskatchewan economy. However, the loans are diversified with companies and in communities throughout Saskatchewan and therefore may not be identically impacted by changes in the overall Saskatchewan

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

Financial risk management *(continued)*

d) Credit risk *(continued)*

economy. Credit risk on these loans is mitigated through the Corporation holding a security interest in the units financed and constructed with loan proceeds and the land upon which the units are constructed.

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.

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

	2017	2016
Cash and cash equivalents	**$ 158,184**	$ 270,491
Short-term investments	**302,127**	310,127
Accounts receivable	**952,161**	848,295
Derivative financial assets	**16,348**	11,374
Restricted cash and cash equivalents	**48,008**	75,994
Investments - amortized cost	**-**	53,858
Investments - at fair value through profit or loss	**1,610,759**	1,427,509
Investments - loans and receivables	**18,535**	31,211
	$ 3,106,122	$ 3,028,859

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.

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

	2017	2016
Allowance for doubtful accounts		
Opening balance	**$ 32,361**	$ 22,343
Less: Accounts written off and other	**(26,113)**	(21,413)
Recoveries	**7,236**	6,151
Provision for losses	**21,359**	25,280
Ending balance	**$ 34,843**	$ 32,361

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

Financial risk management *(continued)*

d) Credit risk *(continued)*

Accounts receivable	**2017**	2016
Current	**$ 906,320**	$ 798,986
30-59 Days	**25,438**	27,677
60-89 Days	**11,807**	9,573
Greater than 90 Days	**43,439**	44,420
Gross accounts receivable	**987,004**	880,656
Allowance for doubtful accounts	**(34,843)**	(32,361)
Net accounts receivable	**$ 952,161**	$ 848,295

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.

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

Financial risk management *(continued)*

e) Liquidity risk *(continued)*

The following summarizes the contractual maturities of the Corporation's financial liabilities at March 31, 2017 (thousands of dollars):

		Contractual Cash Flows					
	Carrying Amount	**Total**	**0-6 Months**	**7-12 Months**	**1-2 Years**	**3-5 Years**	**More than 5 Years**
Long-term debt[1]	**$ 7,654,821**	**$ 14,029,005**	**$ 304,114**	**$ 202,586**	**$ 478,709**	**$ 1,772,713**	**$ 11,270,883**
Trade and other payables	**810,367**	**810,367**	**809,866**	**501**	**-**	**-**	**-**
Derivative financial liabilities[2]	**181,592**	**294,396**	**216,157**	**33,114**	**33,810**	**11,315**	**-**
Other liabilities[3]	**1,926,186**	**1,927,023**	**1,575,580**	**78,308**	**76,518**	**109,918**	**86,699**
	$ 10,572,966	**$ 17,060,791**	**$ 2,905,717**	**$ 314,509**	**$ 589,037**	**$ 1,893,946**	**$11,357,582**

The Corporation anticipates generating sufficient cash flows through operations or credit facilities to support these contractual cash flows.

The following summarizes the contractual maturities of the Corporation's financial liabilities at March 31, 2016 (thousands of dollars):

		Contractual Cash Flows					
	Carrying Amount	Total	0-6 Months	7-12 Months	1-2 Years	3-5 Years	More than 5 Years
Long-term debt[1]	$ 7,148,191	$ 13,159,978	$ 230,135	$ 320,512	$ 539,696	$ 1,616,765	$ 10,452,870
Trade and other payables	718,426	718,426	718,426	-	-	-	-
Derivative financial liabilities[2]	266,086	420,473	259,466	59,676	59,024	42,307	-
Other liabilities[3]	1,994,093	1,994,959	1,679,297	69,714	69,454	102,491	74,003
	$ 10,126,796	$ 16,293,836	$ 2,887,324	$ 449,902	$ 668,174	$ 1,761,563	$ 10,526,873

[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, 2017 and March 31, 2016, 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	
	2017	2016	**2017**	2016	**2017**	2016
Automobile	**$ 232,637**	$ 219,106	**$ 16,116**	$ 13,755	**$ 216,521**	$ 205,351
Property	**156,927**	130,965	**22,989**	13,305	**133,938**	117,660
Liability	**69,563**	58,328	**2,516**	2,671	**67,047**	55,657
Assumed	**4,033**	4,318	**-**	-	**4,033**	4,318
Discount	**24,329**	22,399	**1,699**	1,585	**22,630**	20,814
Other	**6,556**	5,638	**-**	-	**6,556**	5,638
	$ 494,045	$ 440,754	**$ 43,320**	$ 31,316	**$ 450,725**	$ 409,438

	Gross		Reinsurance Recoverable		Net	
	2017	2016	**2017**	2016	**2017**	2016
Saskatchewan	**$ 241,941**	$ 231,641	**$ 24,988**	$ 14,767	**$ 216,953**	$ 216,874
Ontario	**144,277**	127,534	**14,678**	12,226	**129,599**	115,308
Alberta	**94,370**	70,554	**3,535**	4,226	**90,835**	66,328
Manitoba	**9,303**	8,895	**99**	97	**9,204**	8,798
British Columbia	**2,251**	145	**20**	-	**2,231**	145
Maritimes	**1,903**	1,985	**-**	-	**1,903**	1,985
	$ 494,045	$ 440,754	**$ 43,320**	$ 31,316	**$ 450,725**	$ 409,438

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

Insurance risk management *(continued)*

f) Underwriting risk *(continued)*

i) Diversification *(continued)*

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

	Twelve Months 2017				
	Automobile	**Personal Property**	**Commercial Property**	**Liability**	**Total**
Saskatchewan	**$ 159,150**	**$ 250,058**	**$ 54,090**	**$ 36,899**	**$ 500,197**
Ontario	**54,741**	**8,055**	**7,341**	**4,125**	**74,262**
Alberta	**71,075**	**41,671**	**11,005**	**8,853**	**132,604**
Manitoba	**-**	**14,552**	**7,219**	**3,718**	**25,489**
British Columbia	**-**	**1,846**	**3,205**	**1,259**	**6,310**
	$ 284,966	**$ 316,182**	**$ 82,860**	**$ 54,854**	**$ 738,862**

	Fifteen Months 2016				
	Automobile	Personal Property	Commercial Property	Liability	Total
Saskatchewan	$ 193,584	$ 258,076	$ 65,310	$ 44,899	$ 561,869
Ontario	58,065	8,123	8,143	4,709	79,040
Alberta	71,913	36,786	10,860	9,303	128,862
Manitoba	-	13,878	7,703	4,067	25,648
British Columbia	-	90	732	420	1,242
	$ 323,562	$ 316,953	$ 92,748	$ 63,398	$ 796,661

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):

	2017	2016
Dwelling and farm property	**$ 1,000**	$ 1,000
Unlicenced vehicles	**1,000**	1,000
Commercial property	**1,000**	1,000
Automobile and general liability	**1,500**	1,500

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

Insurance risk management *(continued)*

f) Underwriting risk *(continued)*

ii) Reinsurance *(continued)*

In addition, the Corporation carries property and auto physical damage catastrophe reinsurance limiting combined exposure to $15.0 million per event (2016 - $12.5 million) subject to an annual aggregate deductible of $15.0 million (2016 - 12.5 million).

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, 2017, 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, 2017 is $61.4 million (2016 - $61.5 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 period-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 period-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)*

Insurance risk management *(continued)*

g) Actuarial risk *(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):

		Change to Net Provision for Unpaid Claims		Change to Net Earnings	
Assumption	Sensitivity	**2017**	2016	**2017**	2016
Discount rate	1.0 per cent increase	**$ (11,928)**	$ (10,507)	**$ (2,846)**	$ (1,540)
Discount rate	1.0 per cent decrease	**11,928**	10,507	**2,846**	1,540
Net loss ratio	10.0 per cent increase	**68,424**	76,659	**(68,424)**	(76,659)
Misestimate	1.0 per cent deficiency	**4,290**	3,848	**(4,290)**	(3,848)

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. Restricted cash and cash equivalents

The Corporation holds the following cash and cash equivalents restricted for use (thousands of dollars):

	2017		2016	
	Current	**Non-Current**	Current	Non-Current
Meadow Lake Pulp Limited Partnership (a)	**$ 387**	**$ 4,668**	$ 412	$ 4,724
Immigrant investor funds (b)	**38,813**	**-**	65,665	-
For specific capital infrastructure projects (c)	**4,140**	**-**	5,193	-
	$ 43,340	**$ 4,668**	$ 71,270	$ 4,724

a) Cash held by the receiver of Meadow Lake Pulp Limited Partnership which is subject to an order of the Court of Queen's Bench of Saskatchewan.

b) Immigrant investor funds are provided through the IIP. The funds are restricted for use in Saskatchewan's HeadStart on a Home program.

c) Cash held for capital projects related to water infrastructure.

10. Inventories

(thousands of dollars)

	2017	2016
Raw materials	**$ 207,863**	$ 207,704
Natural gas in storage held-for-resale	**92,197**	90,218
Finished goods	**24,889**	22,626
Work-in-progress	**1,234**	2,776
	$ 326,183	$ 323,324

10. Inventories *(continued)*

For the period ended March 31, 2017, $466.1 million (fifteen months 2016 - $670. 9 million) of natural gas in storage held-for-resale, and $477.6 million (fifteen months 2016 - $623.4 million) of raw materials inventory and other inventory were consumed. The Corporation incurred a $1.0 million write-down of natural gas in storage held-for-resale, raw materials and other inventory (fifteen months 2016 - $16.3 million). There was a $15.4 million reversal (fifteen months 2016 - Nil) of prior period write-downs of natural gas in storage held-for-resale, raw materials and other inventory.

11. Assets held-for-sale

At the end of 2014, the Corporation committed to a plan to sell a building located in Prince Albert within the next 12 month period. Accordingly, these assets were classified as assets held-for-sale. At March 31, 2016, the building continued to be actively marketed for sale, but it was unlikely to generate a sale given market conditions. Accordingly, the assets were restated back to property, plant and equipment and other long-term assets. During the current period, the Corporation received multiple offers for the sale of this building. A sale was not finalized by March 31, 2017, but the building is expected to be sold within a twelve month period.

Accordingly, these assets are classified as assets held-for sale and are measured at carrying value, which is lower than the fair value less costs to sell.

Assets classified as held-for-sale are comprised of the following (thousands of dollars):

	2017	2016
Property, plant and equipment	**$ 4**	$ -
Investment property	**5,633**	-
	$ 5,637	$ -

12. Investments in equity accounted investees

(thousands of dollars)

Associates and Joint Ventures

	Principal Place of Business	Reporting Date	Ownership Interest **2017**	Ownership Interest 2016	Carrying Value **2017**	Carrying Value 2016
ISC (a)	Canada	December 31	**31.0%**	31.0%	**$ 94,937**	$ 81,660
MRM Cogeneration Station (b)	Canada	December 31	**30.0%**	30.0%	**37,836**	37,957
Other	Canada				**1,197**	847
					$ 133,970	$ 120,464

	2017	2016
Current assets	**$ 62,921**	$ 64,625
Non-current assets	**346,670**	339,132
Current liabilities	**(50,197)**	(46,983)
Non-current liabilities	**(74,825)**	(87,232)
Net assets	**284,569**	269,542
Interest owned by other entities	**(150,599)**	(149,078)
Share of net assets	**$ 133,970**	$ 120,464

	Twelve Months 2017	Fifteen Months 2016
Revenue	**$ 125,084**	$ 145,813
Expenses	**(104,985)**	(122,129)
Net earnings	**20,099**	23,684
Other comprehensive loss	**(96)**	-
Total comprehensive income	**20,003**	23,684
Interest owned by other entities	**(13,727)**	(16,451)
Share of results	**$ 6,276**	$ 7,233

a) The Corporation is associated with ISC, which provides registry and information services in Saskatchewan. The fair value of ISC shares was $105.8 million at March 31, 2017 (2016 - $77.3 million). The shares are publicly traded under the Toronto Stock Exchange under the symbol ISV.

b) The MRM Cogeneration Station is a 172 megawatt (MW) natural gas-fired cogeneration facility located at the Athabasca Oil Sands Project's Muskeg River Mine, north of Fort McMurray, Alberta.

13. 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 January 1, 2015	$ 16,039,881	$ 1,701,558	$ 1,354,120	$ 246,262	$ 1,241,954	$ 20,583,775
Additions	2,128,968	207,109	1,715,050	28,788	5,845	4,085,760
Disposals	(200,390)	(10,127)	(990)	(1,989)	-	(213,496)
Transfers from assets held-for-sale	112	-	-	-	-	112
Transfers from plant under construction	-	-	(2,291,244)	-	-	(2,291,244)
Balance at March 31, 2016	$ 17,968,571	$ 1,898,540	$ 776,936	$ 273,061	$ 1,247,799	$ 22,164,907
Additions	**1,078,746**	**280,756**	**1,272,252**	**12,424**	**230**	**2,644,408**
Disposals	**(182,074)**	**(13,081)**	**(2,858)**	**(4,174)**	**-**	**(202,187)**
Transfers to assets held-for-sale	**(111)**	**-**	**-**	**-**	**-**	**(111)**
Transfers from plant under construction	**-**	**-**	**(1,290,292)**	**-**	**-**	**(1,290,292)**
Balance at March 31, 2017	**$ 18,865,132**	**$ 2,166,215**	**$ 756,038**	**$ 281,311**	**$ 1,248,029**	**$ 23,316,725**
Accumulated Depreciation						
Balance at January 1, 2015	$ 7,300,535	$ 668,779	$ -	$ 34,052	$ 282,252	$ 8,285,618
Depreciation expense	751,157	51,848	-	2,618	71,088	876,711
Disposals	(161,567)	(5,073)	-	(339)	-	(166,979)
Impairment losses	6,533	44	-	-	-	6,577
Transfers from assets held-for-sale	101	-	-	-	-	101
Balance at March 31, 2016	$ 7,896,759	$ 715,598	$ -	$ 36,331	$ 353,340	$ 9,002,028
Depreciation expense	**638,331**	**47,205**	**-**	**2,426**	**56,899**	**744,861**
Disposals	**(157,609)**	**(8,398)**	**-**	**(1,375)**	**-**	**(167,382)**
Impairment losses	**33,184**	**10,987**	**-**	**-**	**-**	**44,171**
Transfers to assets held-for-sale	**(107)**	**-**	**-**	**-**	**-**	**(107)**
Balance at March 31, 2017	**$ 8,410,558**	**$ 765,392**	**$ -**	**$ 37,382**	**$ 410,239**	**$ 9,623,571**
Carrying Amounts						
At March 31, 2016	$ 10,071,812	$ 1,182,942	$ 776,936	$ 236,730	$ 894,459	$ 13,162,879
At March 31, 2017	**$ 10,454,574**	**$ 1,400,823**	**$ 756,038**	**$ 243,929**	**$ 837,790**	**$ 13,693,154**

13. Property, plant and equipment *(continued)*

On March 22, 2017, the Government of Saskatchewan announced that operating and capital subsidies to the Corporation's passenger and freight transportation segment would cease in the upcoming fiscal year resulting in the wind up of the segment. Passenger and freight vehicular operations cease May 31, 2017. The Corporation and the Government of Saskatchewan are committed to a plan to liquidate the segment once vehicular operations conclude. Administration functions will continue after vehicular operations conclude. Where the fair value less costs to sell of property, plant and equipment was lower than the carrying amount, an impairment loss was recognized within net earnings.

14. Investment property

(thousands of dollars)

	Buildings	Infrastructure	Leasehold Improvements	Property Under Construction	Total
Cost					
Balance at January 1, 2015	$ 176,170	$ 62,295	$ 10,477	$ 1,633	$ 250,575
Additions	1,337	240	1,266	2,038	4,881
Disposals	(1,241)	-	(36)	-	(1,277)
Transfers from assets held-for-sale	6,915	1,647	318	-	8,880
Balance at March 31, 2016	$ 183,181	$ 64,182	$ 12,025	$ 3,671	$ 263,059
Additions	**3,952**	**100**	**1,913**	**5,487**	**11,452**
Disposals	**-**	**-**	**-**	**-**	**-**
Transfers to assets held-for-sale	**(6,913)**	**(1,648)**	**(392)**	**-**	**(8,953)**
Balance at March 31, 2017	**$ 180,220**	**$ 62,634**	**$ 13,546**	**$ 9,158**	**$ 265,558**
Accumulated Depreciation					
Balance at January 1, 2015	$ 58,533	$ 17,596	$ 7,354	$ 691	$ 84,174
Depreciation expense	7,161	2,137	1,639	-	10,937
Disposals	(1,241)	-	(36)	-	(1,277)
Transfers from assets held-for-sale	2,479	126	196	-	2,801
Balance at March 31, 2016	$ 66,932	$ 19,859	$ 9,153	$ 691	$ 96,635
Depreciation expense	**5,424**	**1,713**	**1,230**	**-**	**8,367**
Disposals	**-**	**-**	**-**	**-**	**-**
Transfers to assets held-for-sale	**(2,840)**	**(157)**	**(319)**	**-**	**(3,316)**
Balance at March 31, 2017	**$ 69,516**	**$ 21,415**	**$ 10,064**	**$ 691**	**$ 101,686**
Carrying Amounts					
At March 31, 2016	$ 116,249	$ 44,323	$ 2,872	$ 2,980	$ 166,424
At March 31, 2017	**$ 110,704**	**$ 41,219**	**$ 3,482**	**$ 8,467**	**$ 163,872**

14. Investment property *(continued)*

(thousands of dollars)

The aggregate market value of investment properties at March 31, 2017 was $279.2 million (2016 - $334.7 million). The market value is based on internally-generated estimates of cash flows of individual properties using capitalization rates in the range of 7.0 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 9.6 per cent (2016 - 7.4 per cent).

The measurement methodology was revised in the current year to reflect an allowance for building structural factors and management expenses in order to more accurately reflect the utilization of cash flows from individual properties.

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

	Twelve Months 2017	Fifteen Months 2016
Rental income from investment properties	**$ 38,611**	$ 46,865
Direct operating expenses from property that generated rental income during the period	**(32,411)**	(38,226)
	$ 6,200	$ 8,639

15. Intangible assets

(thousands of dollars)

	Goodwill	Development Costs	Software and Customer Accounts	Indefinite Life (a)	Other	Total
Cost						
Balance at January 1, 2015	$ 5,976	$ 635,582	$ 85,865	$ 73,538	$ 1,500	$ 802,461
Acquisitions - internally developed	-	32,970	-	-	-	32,970
Disposals	-	(17,557)	-	-	-	(17,557)
Transfers	-	(5,573)	-	-	-	(5,573)
Acquisitions - other	-	41,410	6,170	35,200	-	82,780
Balance at March 31, 2016	$ 5,976	$ 686,832	$ 92,035	$ 108,738	$ 1,500	$ 895,081
Acquisitions - internally developed	**-**	**27,144**	**-**	**-**	**-**	**27,144**
Disposals	**-**	**(11,421)**	**-**	**-**	**-**	**(11,421)**
Transfers	**-**	**(18,674)**	**-**	**-**	**-**	**(18,674)**
Acquisitions - other	**-**	**71,916**	**16,136**	**-**	**-**	**88,052**
Balance at March 31, 2017	**$ 5,976**	**$ 755,797**	**$ 108,171**	**$ 108,738**	**$ 1,500**	**$ 980,182**
Accumulated Amortization						
Balance at January 1, 2015	$ -	$ 359,123	$ 52,831	$ -	$ 1,500	$ 413,454
Reversal of impairment loss	-	(2,000)	-	-	-	(2,000)
Amortization expense	-	79,794	7,400	-	-	87,194
Disposals	-	(13,031)	-	-	-	(13,031)
Balance at March 31, 2016	$ -	$ 423,886	$ 60,231	$ -	$ 1,500	$ 485,617
Reversal of impairment loss	**-**	**-**	**-**	**-**	**-**	**-**
Amortization expense	**-**	**63,248**	**6,563**	**-**	**-**	**69,811**
Disposals	**-**	**(2,293)**	**-**	**-**	**-**	**(2,293)**
Balance at March 31, 2017	**$ -**	**$ 484,841**	**$ 66,794**	**$ -**	**$ 1,500**	**$ 553,135**
Carrying Amounts						
At March 31, 2016	$ 5,976	$ 262,946	$ 31,804	$ 108,738	$ -	$ 409,464
At March 31, 2017	**$ 5,976**	**$ 270,956**	**$ 41,377**	**$ 108,738**	**$ -**	**$ 427,047**

15. Intangible assets *(continued)*

a) For the purpose of impairment testing, indefinite-life intangible assets (spectrum licences) 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 applied to the EBITDA of the unit to determine the recoverable amount. The Corporation applied an industry average EV to EBITDA ratio for minority discounts associated with publicly traded shares to the EBITDA of the unit to estimate the recoverable amount of the unit. Impairment tests indicated no impairment at March 31, 2017 or March 31, 2016.

16. Notes payable

Notes payable are due to the GRF. These notes are due on demand and have an effective interest rate of 0.6 per cent (2016 – 0.6 per cent).

17. Deferred revenue

(thousands of dollars)

	2017	2016
Unearned insurance premiums	**$ 359,178**	$ 319,981
Customer contributions	**55,288**	87,666
Services billed in advance	**54,622**	53,538
Premium taxes payable	**6,706**	5,651
Amounts due to reinsurers	**28,376**	24,605
Other	**20,129**	18,216
	$ 524,299	$ 509,657

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, 2016	**$ 289,001**	**$ 89,365**	**$ 440,754**	**$ 1,516**	**$ 820,636**
Provision for (recovery of) decommissioning and environmental remediation liabilities	**1,415**	**(1,628)**	**-**	**-**	**(213)**
Other provisions made	**26,027**	**-**	**418,575**	**46**	**444,648**
Provisions used	**(11,653)**	**(1,547)**	**(365,284)**	**(250)**	**(378,734)**
Provisions reversed	**(7,132)**	**-**	**-**	**(143)**	**(7,275)**
Accretion expense	**6,967**	**6,718**	**-**	**85**	**13,770**
Balance at March 31, 2017	**$ 304,625**	**$ 92,908**	**$ 494,045**	**$ 1,254**	**$ 892,832**
Current	**$ -**	**$ -**	**$ 220,910**	**$ 242**	**$ 221,152**
Non-current	**$ 304,625**	**$ 92,908**	**$ 273,135**	**$ 1,012**	**$ 671,680**

	Decommissioning Provisions (a)	Environmental Remediation (b)	Unpaid Insurance Claims (c) and Note 8(f)	Other Provisions	Total
Balance at January 1, 2015	$ 245,212	$ 92,242	$ 451,584	$ 1,636	$ 790,674
Provision for (recovery of) decommissioning and environmental remediation liabilities	4,065	(436)	-	-	3,629
Other provisions made	39,074	-	417,432	55	456,561
Provisions used	(8,052)	(2,882)	(428,262)	(304)	(439,500)
Accretion expense	8,702	441	-	129	9,272
Balance at March 31, 2016	$ 289,001	$ 89,365	$ 440,754	$ 1,516	$ 820,636
Current	$ -	$ -	$ 194,805	$ 253	$ 195,058
Non-current	$ 289,001	$ 89,365	$ 245,949	$ 1,263	$ 625,578

18. Provisions *(continued)*

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 2017 and 2109 for natural gas facilities and 2017 and 2068 for electrical facilities. The undiscounted cash flows required to settle the obligations total $668.0 million (2016 - $711.1 million). Risk-free rates between 1.1 per cent and 3.3 per cent were used to calculate the discounted carrying value of the obligation. During the period, the Corporation recorded an additional $1.4 million provision (fifteen months 2016 - $4.1 million) for decommissioning and environmental remediation to settle this liability. 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, 2017 decommissioning provision (thousands of dollars):

	Undiscounted cash flows	Discounted cash flows	Discounted rate + 0. 5%	Discounted rate - 0. 5%	Inflation rate + 0. 5%	Inflation rate - 0. 5%
Decommissioning	**$ 667,952**	**$ 304,625**	**$ (32,401)**	**$ 43,848**	**$ 36,743**	**$ (42,725)**

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 $30.6 million (2016 - $10. 3 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. 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 increase in the liability of $20.3 million is due to third party engineers' updated assessment of costs to remediate, legislative changes and a change in remediation approach. The timing to complete this remediation is indeterminable at this time.

ii) The Corporation has accrued $21.9 million (2016 - $37.3 million) to carry out the clean-up activities related to an indemnity provided by PAPCO and Her Majesty in Right of the Province of Saskatchewan for environmental liabilities predating 1986 relating to the ERCO Worldwide chemical plant. The decrease in the liability of $15.4 million is due to a third party engineers' updated assessment of costs to remediate. The timing to complete the remaining remediation is indeterminable at this time.

iii) The Corporation recorded a recovery of $1.4 million (2016 - $1.2 million) for environmental remediation related to estimated environmental remediation for its electrical generation assets and other properties. The total provision for these facilities at March 31, 2017 is $40.2 million (2016 - $41.6 million). The timing to complete this remediation is indeterminable at this time.

c) Unpaid insurance claims

The provision for unpaid insurance claims has been calculated using a discount rate of 1.5 per cent (2016 - 1.6 per cent).

19. Finance and operating leases

(thousands of dollars)

Finance leases

	2017	2016
Total future minimum lease payments	**$ 2,999,037**	$ 3,172,065
Less: future finance charges on finance leases	**(1,862,186)**	(2,027,549)
Present value of finance lease obligations	**1,136,851**	1,144,516
Less: current portion of finance lease obligations	**(14,225)**	(12,019)
Finance lease obligations	**$ 1,122,626**	$ 1,132,497

As at March 31, 2017, scheduled future minimum lease payments and the present value of finance lease obligations are as follows:

	1 year	1-5 years	More than 5 years
Future minimum lease payments	$ 177,170	$ 748,781	$ 2,073,086
Present value of finance lease obligations	14,225	119,865	1,002,761

Operating leases

Future minimum lease payments for operating leases entered into by the Corporation, as lessee, are as follows:

	1 year	1-5 years	More than 5 years
Future minimum lease payments	$ 11,919	$ 23,993	$ 8,564

20. Long-term debt

(thousands of dollars)

	2017 Principal Outstanding	2017 Effective Interest Rate	2016 Principal Outstanding	2016 Effective Interest Rate
Years to Maturity				
A. General Revenue Fund				
1-5 years	**$ 942,452**	**6.9**	$ 898,773	5.3
6-10 years	**651,679**	**7.5**	879,020	8.0
11-15 years	**533,575**	**6.1**	169,000	5.6
16-20 years	**972,369**	**5.2**	864,807	5.9
21-25 years	**1,472,402**	**4.0**	1,197,402	4.7
26-30 years	**2,350,000**	**3.4**	2,000,000	3.6
Beyond 30 years	**550,000**	**3.5**	875,000	3.4
Total due to GRF	**7,472,477**		6,884,002	
B. Other long-term debt (due 2018 to 2047)	**182,526**	**3.7**	244,366	3.4
	7,655,003		7,128,368	
Unamortized debt premium net of issue costs	**(182)**		19,823	
	7,654,821		7,148,191	
Due within one year	**(207,833)**		(263,935)	
Total long-term debt	**$ 7,446,988**		$ 6,884,256	

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

2018	$ 207,909
2019	124,812
2020	68,643
2021	446,461
2022	249,643

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. 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. The estimate, therefore, involves risks 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:

	2017		
	SaskTel	**SGI CANADA**	**SaskPower**
Discount rate - end of period	**3.5%**	**3.3%**	**3.5%**
Inflation rate	**2.5%**	**2.0%**	**2.0%**
Duration (years)	**12**	**9**	**11**
Post-retirement index	**100% of CPI up to 2%**	**0% of CPI**	**70% of CPI**
Last actuarial valuation	**12/31/13**	**12/31/13**	**9/30/15**

	2016		
	SaskTel	SGI CANADA	SaskPower
Discount rate - end of period	3.6%	3.4%	3.6%
Inflation rate	2.5%	2.0%	2.0%
Duration (years)	12	9	11
Post-retirement index	100% of CPI up to 2%	0% of CPI	70% of CPI
Last actuarial valuation	12/31/13	12/31/13	9/30/15

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 CPM Improvement Scale B.

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, 2017 defined benefit pension obligation from a change in an actuarial assumption while holding all other assumptions constant (thousands of dollars):

	SaskTel		**SGI CANADA**		**SaskPower**	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
Discount rate (1.0 per cent)	**$ (118,879)**	**$ 143,995**	**$ (2,711)**	**$ 3,224**	**$ (90,523)**	**$ 108,529**
Inflation rate (1.0 per cent)	**(120,174)**	**50,831**	**N/A[1]**	**N/A[1]**	**(18,747)**	**20,076**
Post-retirement index (1.0 per cent)	**N/A[1]**	**(152,359)**	**691**	**N/A[1]**	**123,886**	**(104,440)**
Mortality (1 year)	**N/A[1]**	**N/A[1]**	**N/A[1]**	**N/A[1]**	**(32,906)**	**35,417**

[1] Impact on the March 31, 2017 defined benefit pension obligation from a change in assumption is not considered significant.

21. Employee future benefits *(continued)*

Defined benefit pension plans *(continued)*

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

	2017			
	SaskTel	**SGI CANADA**	**SaskPower**	**Total**
Defined benefit pension plan obligation				
Defined benefit pension plan obligation, beginning of period	**$ 1,147,369**	**$ 34,313**	**$ 958,671**	**$ 2,140,353**
Included in net earnings:				
Current service cost	**360**	**2**	**-**	**362**
Interest cost	**40,035**	**1,142**	**33,383**	**74,560**
	40,395	**1,144**	**33,383**	**74,922**
Included in OCI:				
Actuarial (gain) loss arising from:				
Financial assumptions	**-**	**(863)**	**10,262**	**9,399**
Experience adjustments	**12,919**	**-**	**-**	**12,919**
	12,919	**(863)**	**10,262**	**22,318**
Benefits paid	**(67,588)**	**(2,674)**	**(62,727)**	**(132,989)**
Defined benefit pension plan obligation, end of period	**$ 1,133,095**	**$ 31,920**	**$ 939,589**	**$ 2,104,604**

	2016			
	SaskTel	SGI CANADA	SaskPower	Total
Defined benefit pension plan obligation				
Defined benefit pension plan obligation, beginning of period	$ 1,153,732	$ 35,527	$ 980,020	$ 2,169,279
Included in net earnings:				
Current service cost	428	2	-	430
Interest cost	52,713	1,558	44,354	98,625
	53,141	1,560	44,354	99,055
Included in OCI:				
Actuarial loss (gain) arising from:				
Financial assumptions	-	1,375	15,207	16,582
Experience adjustments	26,337	-	(1,455)	24,882
	26,337	1,375	13,752	41,464
Benefits paid	(85,841)	(4,149)	(79,455)	(169,445)
Defined benefit pension plan obligation, end of period	$ 1,147,369	$ 34,313	$ 958,671	$ 2,140,353

21. Employee future benefits *(continued)*

Defined benefit pension plans *(continued)*

	2017			
	SaskTel	**SGI CANADA**	**SaskPower**	**Total**
Defined benefit pension plan assets				
Fair value of defined benefit pension plan assets, beginning of period	**$ 998,811**	**$ 32,218**	**$ 743,960**	**$ 1,774,989**
Included in net earnings:				
Interest income	**34,687**	**1,074**	**25,653**	**61,414**
Included in OCI:				
Return on plan assets excluding interest income	**66,186**	**319**	**44,972**	**111,477**
Cash impacts:				
Employee funding contributions	**-**	**2**	**-**	**2**
Benefits paid	**(67,587)**	**(2,674)**	**(62,727)**	**(132,988)**
	(67,587)	**(2,672)**	**(62,727)**	**(132,986)**
Fair value of defined benefit pension plan assets, end of period	**$ 1,032,097**	**$ 30,939**	**$ 751,858**	**$ 1,814,894**
Funded status - plan deficit and net defined benefit pension obligation	**$ (100,998)**	**$ (981)**	**$ (187,731)**	**$ (289,710)**

	2016			
	SaskTel	SGI CANADA	SaskPower	Total
Defined benefit pension plan assets				
Fair value of defined benefit pension plan assets, beginning of period	$ 1,018,460	$ 33,688	$ 800,231	$ 1,852,379
Included in net earnings:				
Interest income	46,288	1,435	35,938	83,661
Included in OCI:				
Return on plan assets excluding interest income (expenses)	19,904	1,242	(12,754)	8,392
Cash impacts:				
Employee funding contributions	-	2	-	2
Benefits paid	(85,841)	(4,149)	(79,455)	(169,445)
	(85,841)	(4,147)	(79,455)	(169,443)
Fair value of defined benefit pension plan assets, end of period	$ 998,811	$ 32,218	$ 743,960	$ 1,774,989
Funded status - plan deficit and net defined benefit pension obligation	$ (148,558)	$ (2,095)	$ (214,711)	$ (365,364)

21. Employee future benefits *(continued)*

Defined benefit pension plans *(continued)*

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

	2017		
	SaskTel	**SGI CANADA**	**SaskPower**
Asset category			
Short-term investments	**1.5%**	**2.0%**	**0.7%**
Bond and debentures	**38.3%**	**56.0%**	**33.9%**
Equity securities - Canadian	**12.2%**	**20.0%**	**11.3%**
Equity securities - US	**12.6%**	**11.0%**	**-**
Equity securities - Non-North American	**20.6%**	**11.0%**	**37.9%**
Real estate	**14.8%**	**-**	**16.2%**

	2016		
	SaskTel	SGI CANADA	SaskPower
Asset category			
Short-term investments	1.3%	-	0.7%
Bond and debentures	37.0%	59.0%	36.3%
Equity securities - Canadian	12.8%	17.0%	12.1%
Equity securities - US	14.4%	12.0%	-
Equity securities - Non-North American	20.3%	12.0%	36.3%
Real estate	14.2%	-	14.6%

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.

21. Employee future benefits *(continued)*

Other defined benefit plans *(continued)*

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

	2017					
	SaskTel	**SGI CANADA**	**SaskPower**	**SaskEnergy**	**SaskWater**	**Total**
Other defined benefit plan obligation						
Other defined benefit plan obligation, beginning of period	**$ 19,322**	**$ 20,641**	**$ 49,580**	**$ 8,708**	**$ 470**	**$ 98,721**
Included in net earnings:						
Current service cost	**-**	**160**	**7,579**	**33**	**33**	**7,805**
Interest cost	**597**	**664**	**2,641**	**196**	**18**	**4,116**
	597	**824**	**10,220**	**229**	**51**	**11,921**
Included in OCI:						
Actuarial loss (gain) arising from:						
Financial assumptions	**(222)**	**-**	**93**	**(74)**	**(9)**	**(212)**
Experience adjustments	**-**	**264**	**178**	**(32)**	**3**	**413**
	(222)	**264**	**271**	**(106)**	**(6)**	**201**
Benefits paid	**(1,356)**	**(2,314)**	**(10,492)**	**(1,590)**	**(36)**	**(15,788)**
Other defined benefit plan obligation, end of period	**$ 18,341**	**$ 19,415**	**$ 49,579**	**$ 7,241**	**$ 479**	**$ 95,055**

	2016					
	SaskTel	SGI CANADA	SaskPower	SaskEnergy	SaskWater	Total
Other defined benefit plan obligation						
Other defined benefit plan obligation, beginning of period	$ 20,899	$ 20,523	$ 53,688	$ 10,128	$ 454	$ 105,692
Included in net earnings:						
Current service cost	-	264	9,569	49	34	9,916
Interest cost	810	782	2,821	386	17	4,816
	810	1,046	12,390	435	51	14,732
Included in OCI:						
Actuarial loss (gain) arising from:						
Financial assumptions	(545)	-	85	67	-	(393)
Experience adjustments	-	1,699	(238)	(76)	(16)	1,369
	(545)	1,699	(153)	(9)	(16)	976
Benefits paid	(1,842)	(2,627)	(16,345)	(1,846)	(19)	(22,679)
Other defined benefit plan obligation, end of period	$ 19,322	$ 20,641	$ 49,580	$ 8,708	$ 470	$ 98,721

21. Employee future benefits *(continued)*

Other defined benefit plans *(continued)*

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

	2017				
	SaskTel	**SGI CANADA**	**SaskPower**	**SaskEnergy**	**SaskWater**
Discount rate	**3.1%**	**3.0-3.2%**	**2.8-3.3%**	**2.8%**	**3.6%**
Inflation rate	**-**	**2.3%**	**2.0%**	**2.5%**	**2.3%**
Long-term rate of compensation increases	**3.0%**	**2.3-2.8%**	**2.0%**	**3.0%**	**2.8%**
Remaining service life (years)	**10**	**10-11**	**7**	**4**	**12**
Last actuarial valuation	**3/31/17**	**12/31/16**	**9/30/16**	**12/31/16**	**12/31/16**

	2016				
	SaskTel	SGI CANADA	SaskPower	SaskEnergy	SaskWater
Discount rate	3.2%	3.1-3.2%	3.0-3.3%	2.7%	3.6%
Inflation rate	-	2.0%	2.0%	2.5%	2.5%
Long-term rate of compensation increases	3.0%	2.5-4.0%	2.0%	3.0%	3.0%
Remaining service life (years)	10	10-11	7	5	12
Last actuarial valuation	3/31/16	12/31/15	12/31/15	12/31/15	12/31/15

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, 2017 other defined benefit obligation.

Employee future benefit liability

The employee future benefit liability on the Consolidated Statement of Financial Position represent the funded status of the Corporation's defined benefit pension plans and other defined benefit plans. On a combined basis, at March 31, 2017, these liabilities totaled $384.8 million (2016 - $464.1 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 $61.7 million (fifteen months 2016 - $74.4 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 $69.9 million (fifteen months 2016 - $84.7 million).

22. Other liabilities

(thousands of dollars)

	2017	2016
Customer contributions	**$ 183,001**	$ 182,794
Government grants	**28,527**	24,569
Other liabilities	**8,770**	11,082
	$ 220,298	$ 218,445

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 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 period.

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 period and complied with all externally imposed capital requirements.

The debt ratio is as follows (thousands of dollars):

	Note	**2017**	2016
Total debt (a)		**$ 9,037,499**	$ 8,671,274
Less: Sinking funds	7(b)	**(851,364)**	(780,762)
Net debt		**8,186,135**	7,890,512
Equity (b)		**4,892,844**	4,713,152
Capitalization		**$ 13,078,979**	$ 12,603,664
Debt ratio		**62.6%**	62.6%

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

b) Equity includes equity advances, contributed surplus and retained earnings.

24. Accumulated other comprehensive loss

(thousands of dollars)

	2017	2016
Items that may be reclassified to net earnings:		
Unrealized gains (losses) on cash flow hedges	$ 11,269	$ (3,265)
Realized losses on cash flow hedges	(23,141)	(13,142)
	(11,872)	(16,407)
Items that will not be reclassified to net earnings:		
Impact of changes in defined benefit plan actuarial assumptions	(18,532)	(107,490)
	$ (30,404)	$ (123,897)

25. Commitments and contingencies

The following significant commitments and contingencies exist at March 31, 2017:

a) At 2017 prices, the Corporation has forward commitments of $1,736.3 million (2016 - $2,128.7 million) extending until 2029 for future minimum coal deliveries.

b) As at March 31, 2017, the Corporation has committed to spend $1,454.0 million (2016 - $1,249.2 million) on capital projects.

c) The Corporation has issued letters of credit in the amount of $16.1 million (2016 - $21.8 million).

d) The Corporation has entered into contracts to purchase natural gas expected to cost $589.8 million (2016 - $632.4 million) based on forward market prices until 2028. This includes fixed price forward contracts with a notional value of $582.0 million (2016 - $628.2 million) which apply for the own-use scope exception.

e) As at March 31, 2017, the Corporation has committed to electricity and natural gas trading sales of $4.7 million (2016 - $2.7 million) and electricity and natural gas trading and transmission purchases of $28.3 million (2016 - $40.7 million). These contracts are considered derivative financial instruments and changes in fair value have been included in net earnings.

f) The Corporation has entered into power purchase agreements (PPAs) that provide over 1,000 MW of generating capacity. The payments related to these PPAs are expected to be $9,178. 3 million (2016 - $9,084.7 million) until 2046, which includes finance leases of $2,982.7 million (2016 - $3,154.6 million).

g) During the period, the Corporation entered into commodity contracts for the physical purchase of natural gas that qualify as own-use contracts. As at March 31, 2017, own-use natural gas derivative instruments had the following notional values and maturities for the next five fiscal years (thousands of dollars):

2018	$ 17,569
2019	9,382
2020	22,003
2021	25,861
2022	17,219

h) During the period, the Corporation entered into foreign exchange forward contracts with a notional value of $34.2 million (2016 - Nil).

CIC CONSOLIDATED

25. Commitments and contingencies *(continued)*

i) 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.

j) The Corporation has outstanding service contract commitments of $138.0 million (2016 - $307.4 million).

k) The Corporation has committed to provide $39.5 million (2016 - $82.4 million) to builders and developers as part of the HeadStart on a Home program.

l) On August 9, 2004, a proceeding under *The Class Actions Act (Saskatchewan)* was brought against several Canadian wireless and cellular service providers, including the Corporation. The Plaintiffs seek unquantified damages from the defendant wireless communications service providers. Similar proceedings have been filed by, or on behalf of, Plaintiffs' counsel in other provincial jurisdictions. On September 17, 2007, the Saskatchewan court certified the Plaintiff's proceeding as a class action with respect to an allegation of unjust enrichment only for wireless customers during the period of April 1, 1987 and the date of the certification order being February 13, 2008. The class action period has now been extended to March 31, 2014. The matter will now proceed in the usual fashion of finalized pleadings, document and oral discovery to trial. The Corporation continues to believe that it has strong defenses to the allegations as certified in the 2004 action.

m) On June 26, 2008, a proceeding under *The Class Actions Act (Saskatchewan)* was brought against several Canadian wireline, wireless and cellular service providers, including the Corporation. The proceeding involves allegations by wireless customers of breach of contract, misrepresentation, negligence, collusion, unjust enrichment and breach of statutory obligations concerning fees and charges paid for 9-1-1 service. The Plaintiffs seek unquantified damages from the defendant communications service providers. The Corporation believes that it has strong defenses to the claim and will be defending it. External legal counsel has been retained by the Corporation to handle this matter. A date has yet to be finalized for a hearing of a motion to determine if this claim should be certified as a class action. The Corporation is waiting for a decision of the Court on its application for the Plaintiff to provide particulars (details) of the allegations in its claims.

n) On February 6, 2013, the Corporation was served with a claim out of the Supreme Court of British Columbia. The Plaintiffs seek unquantified damages from the defendant wireless communications service providers and most known wireless device manufacturers. The claim is primarily one of product liability involving allegations by wireless customers who have had cancer or other afflictions allegedly caused by cell phone use. This claim is being defended by external legal counsel retained by the Corporation's liability insurer. The Corporation believes there is no merit to the claim and is defending it.

o) 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)

	Twelve Months 2017	Fifteen Months 2016
Utilities	$ 4,543,550	$ 5,601,964
Entertainment	124,213	158,193
Insurance	699,665	787,005
Transportation	14,855	18,430
Investment and economic growth	42,304	50,922
Other and consolidation adjustments	(111,574)	(137,255)
	$ 5,313,013	$ 6,479,259

27. Depreciation and amortization

(thousands of dollars)

	Note	Twelve Months 2017	Fifteen Months 2016
Property, plant and equipment	13	$ 744,861	$ 876,711
Investment property	14	8,367	10,937
Intangible assets	15	69,811	87,194
		$ 823,039	$ 974,842

28. Impairment losses

(thousands of dollars)

	Note	Twelve Months 2017	Fifteen Months 2016
Impairment (reversals) losses on investments		$ (11,851)	$ 17,585
Impairment losses on property, plant and equipment	13	44,171	6,577
Impairment reversals on intangible assets	15	-	(2,000)
		$ 32,320	$ 22,162

29. Saskatchewan taxes and fees

(thousands of dollars)

	Twelve Months 2017	Fifteen Months 2016
Saskatchewan capital tax	$ 74,586	$ 84,897
Grants in lieu of taxes to municipalities	39,638	44,659
Gaming fees	24,375	32,681
Insurance premium tax	23,628	27,438
Other	3,479	4,053
	$ 165,706	$ 193,728

30. Finance income and expenses

(thousands of dollars)

	Note	Twelve Months 2017	Fifteen Months 2016
Recognized in consolidated net earnings			
Sinking fund earnings	7(b)	**$ 18,726**	$ 48,309
Gain on sale of investments at fair value through profit or loss		**4,548**	42,293
Change in fair value of financial assets at fair value through profit or loss		**30,416**	4,045
Interest and other income from investments at fair value through profit or loss		**18,363**	21,782
Interest income from defined benefit pension plans	21	**61,414**	83,661
Other		**20,740**	24,735
Finance income		**154,207**	224,825
Interest expense on financial liabilities measured at amortized cost		**525,444**	639,784
Change in fair value of financial assets at fair value through profit or loss		**7,799**	43,066
Accretion expense on provisions	18	**13,770**	9,272
Interest cost on defined benefit pension plans	21	**74,560**	98,625
Interest cost on other defined benefit plans	21	**4,116**	4,816
Interest capitalized[1]		**(21,370)**	(44,282)
Other		**3,529**	2,452
Finance expenses		**607,848**	753,733
Net finance expenses		**$ 453,641**	$ 528,908

[1] The weighted average interest rate used to capitalize interest was 4.1 per cent at March 31, 2017 (2016 - 3.9 per cent).

31. Consolidated statement of cash flows

(thousands of dollars)

	Note	Twelve Months 2017	Fifteen Months 2016
Adjustments to reconcile net earnings to cash from operating activities			
Depreciation and amortization	27	**$ 823,039**	$ 974,842
Share of net earnings from equity accounted investees	12	**(6,276)**	(7,233)
Net (gain) loss on sale of equity accounted investees		**(234)**	84
Defined benefit plan current service costs and	21	**8,167**	10,346
(Recovery of) provision for decommissioning environmental remediation liabilities	18	**(213)**	3,629
Unrealized (gains) losses on derivative financial instruments	8(b)	**(75,268)**	93,875
Inventory (recoveries) write-downs		**(14,446)**	16,298
Loss on disposal of property, plant and equipment		**38,404**	30,262
Impairment losses	28	**32,320**	22,162
Net finance expenses	30	**453,641**	528,908
Other non-cash items		**(7,752)**	(9,953)
		$ 1,251,382	$ 1,663,220

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.

32. Related party transactions *(continued)*

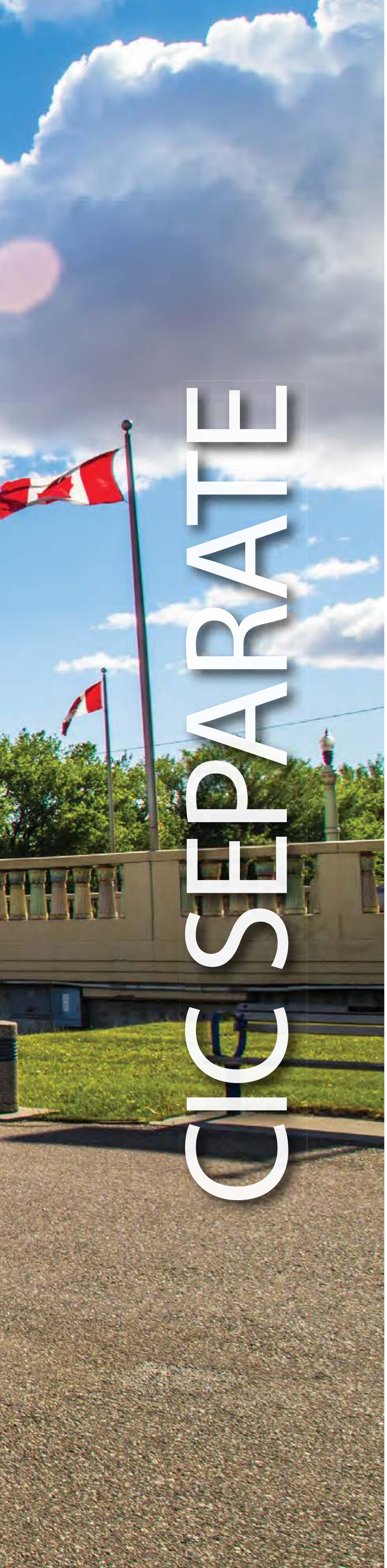
Key management personnel compensation consists of (thousands of dollars):

	Twelve Months 2017	Fifteen Months 2016
Salaries, wages and short-term employee benefits	**$ 21,955**	$ 28,170
Employee future benefits	**1,194**	1,738
Other	**6**	8
	$ 23,155	$ 29,916

33. Comparative figures

Certain of the March 31, 2016 figures have been reclassified to conform to the current period's presentation.


SaskPower
Powering the future
"SaskPower is laying the groundwork to help keep Saskatchewan strong now and for generations to come, and it's our privilege to do so. We have a vision of powering Saskatchewan to a cleaner energy future, while making sure our customers have the reliable power they need from us today."
Mike Marsh, President & CEO, SaskPower



CIC Separate Management Discussion & Analysis

Analysis of Financial Results

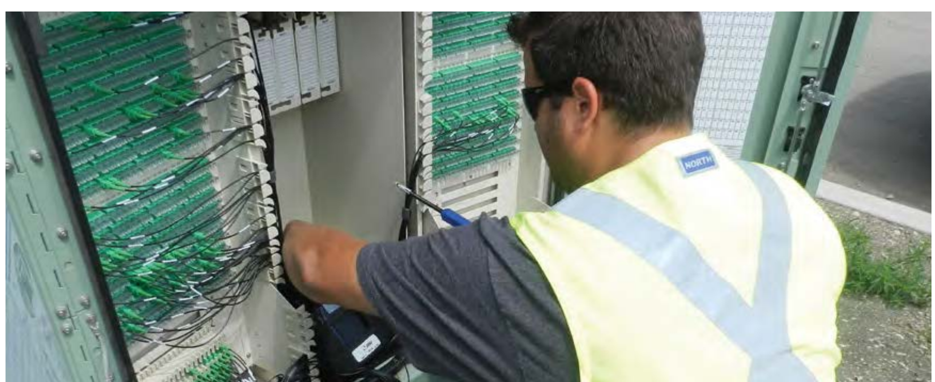
CIC's separate financial statements are used to determine the corporation's capacity to pay dividends to the Province's General Revenue Fund (GRF). These separate financial statements isolate CIC's cash flow, capital and operating support for certain subsidiary Crown corporations. Inclusion of these financial statements in the annual report enhances accountability and the transparency of CIC's operations.

This narrative on CIC's separate 2016-17 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.

Change of Year End

CIC was directed by the provincial government to change its fiscal year end to March 31 to coincide with that of the Province of Saskatchewan. Information included in the following discussion focuses on the second complete fiscal period consisting of the twelve months ended March 31, 2017 as compared to the twelve months ended March 31, 2016. The following descriptions are used throughout the Management Discussion & Analysis to describe the periods noted below:

For the Statement of Comprehensive Income and Cash Flows date	The description is for period ended
2012, 2013, 2014	Twelve months ended December 31
2015-16	Twelve months ended March 31, 2016
Fifteen months 2015-16	Fifteen months ended March 31, 2016
2016-17	Twelve months ended March 31, 2017



$132.1 Million

2016-17 Net Earnings for CIC Separate

Comparison of 2016-17 Results with 2015-16 Results

Earnings

The following table presents a five-year comparison of CIC's financial results:

(millions of dollars)	2016-17	2015-16	Fifteen months 2015-16	2014	2013	2012
Dividend revenue from subsidiary corporations	**$ 157.4**	$ 153.8	$ 184.4	$ 173.6	$ 202.5	$ 346.4
Add: Finance and other revenue	**1.4**	2.8	3.5	3.9	3.2	4.5
Gain on sale of Information Services Corp. (ISC) shares	**-**	-	-	-	156.2	-
Less: Operating, salaries and other expenses	**(12.8)**	(15.2)	(17.4)	(12.2)	(12.9)	(15.4)
Grants to subsidiary corporations	**(13.9)**	(14.5)	(17.0)	(15.6)	(18.6)	(21.5)
Total Separate Earnings	**$ 132.1**	$ 126.9	$ 153.5	$ 149.7	$ 330.4	$ 314.0

Net earnings for 2016-17 were $132.1 million, an increase of $5.2 million from the same period in 2015-16. The increase in earnings is primarily due to an increase in dividend revenue from subsidiary corporations of $3.6 million; a decrease in operating, salaries and other expenses of $2.4 million; and a decrease in grant funding to subsidiary corporations of $0.6 million. These favourable impacts were partially offset by a decrease in finance and other revenue of $1.4 million.

A more detailed discussion of 2016-17 compared to 2015-16 financial results is included on the pages following.

Dividend Revenue

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 as follows:

- Demand for electricity and natural gas increases during cold 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.
- Water run-off levels impact SaskPower's capacity to generate hydro-electricity at a much lower cost compared to natural gas and coal generation.

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. Dividend targets are based on the overall financial health of the subsidiary Crown and its need for capital investment. These targets are subject to change during the year if there is a significant change in circumstances. The 2016-17 budgeted dividend and per cent of operating earnings is as follows:

(millions of dollars)	2016-17 Budgeted Dividend	Budgeted Dividend % of Operating Earnings
SaskTel	**$ 30.0**	N/A
SGC[1]	**29.9**	80%
SaskEnergy	**27.2**	35%
SGI CANADA	**25.0**	N/A
SaskWater	**1.5**	25%
SOCO	**0.1**	90%
CIC Asset Management Inc. (AMI)	**15.0**	N/A
CIC (separate) and other	**4.3**	N/A
Total	**$ 133.0**	

[1] SGC's 2016-17 budget included an additional $10.0 million dividend due to cash availability.

Comparison of 2016-17 Results with 2015-16 Results *(continued)*

Dividend Revenue *(continued)*

A five-year history of dividend revenue by contribution source is as follows:

Dividend Revenue (millions of dollars)	**2016-17**	**2015-16**	**Fifteen months 2015-16**	**2014**	**2013**	**2012**
SGI CANADA	**$ 43.0**	$ 41.0	$ 47.3	$ 31.6	$ 25.6	$ 52.0
SaskTel	**30.0**	30.0	37.5	53.3	81.1	84.3
SGC	**29.5**	21.0	26.1	19.9	16.4	21.0
SaskEnergy	**28.9**	54.8	64.7	17.5	30.4	27.2
CIC AMI	**20.0**	-	-	45.0	35.0	15.0
ISC	**4.3**	4.3	5.4	4.3	12.3	19.1
SaskWater	**1.7**	1.6	1.9	-	-	-
SOCO	**-**	1.1	1.5	2.0	1.7	2.8
SaskPower	**-**	-	-	-	-	120.0
CIC Apex Equity Holdco Ltd.	**-**	-	-	-	-	5.0
Total Dividend Revenue	**$ 157.4**	$ 153.8	$ 184.4	$ 173.6	$ 202.5	$ 346.4

Dividend revenue for 2016-17 increased $3.6 million to $157.4 million from 2015-16. The increase is primarily due to the following:

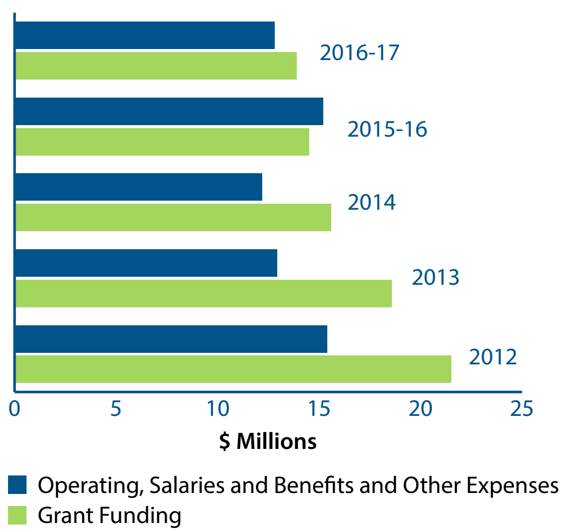
- SGI CANADA paid a dividend of $43.0 million for 2016-17 as compared to $41.0 million in 2015-16. The increase in dividends is a result of higher earnings from improved investment earnings and favourable underwriting results.
- SGC's dividend of $29.5 million for 2016-17 increased $8.5 million from $21.0 million in 2015-16 as a result of an additional $10.0 million dividend due to cash availability offset by lower earnings from slot and table games, consistent with the ongoing maturation of the Canadian gaming market.
- CIC AMI paid a dividend of $20.0 million for 2016-17 compared to Nil in 2015-16. CIC AMI's dividend is based on cash flow availability.

The increases in dividend revenue were partially offset by:

- SaskEnergy's dividend of $28.9 million for 2016-17 decreased $25.9 million from $54.8 million in 2015-16. The decrease in dividend is primarily due to a lower dividend payout rate to ensure a strong capital structure; and
- SOCO paid a dividend of Nil for 2016-17 compared to $1.1 million in 2015-16. The decrease in dividend is primarily a result of decreased earnings.

Total Expenses and Grants to Subsidiary Corporations

CIC's expenses are divided into two main categories: operating, salaries and benefits and other expenses and grants to subsidiary corporations. The adjacent chart shows CIC's expenses by category. Total expenses for 2016-17 of $26.7 million were $3.0 million lower than the 2015-16 expenses of $29.7 million.



CIC SEPARATE

Comparison of 2016-17 Results with 2015-16 Results *(continued)*

Operating, Salaries and Benefits and Other Expenses

Operating, salaries and benefits and other expenses decreased by $2.4 million during 2016-17 to $12.8 million. The decrease in expenses is primarily due to cost restraints. Also, CIC recorded a $1.7 million impairment loss on its investment in First Nations and Métis Fund Inc. in 2016-17, as compared to $3.0 million in 2015-16.

Grants to Subsidiary Corporations

CIC's grants to subsidiary corporations for 2016-17 of $13.9 million (2015-16 – $14.5 million) decreased by $0.6 million over the same period in 2015-16. CIC provided grant funding to Saskatchewan Transportation Company (STC) of $13.6 million (2015-16 – $14.2 million). Funding to STC was comprised of $12.4 million (2015-16 – $11.3 million) for operations and $1.2 million (2015-16 – $2.9 million) to meet capital requirements. On March 22, 2017, the Government of Saskatchewan announced that STC would be wound up. STC vehicular operations cease on May 31, 2017.

Gradworks Inc. (Gradworks) received $0.3 million in grants for 2016-17 (2015-16 – $0.3 million) to fund its Intern Development Program. On November 28, 2016, it was announced that Gradworks would be wound down. Gradworks operations are expected to conclude in the 2017-18 fiscal period.

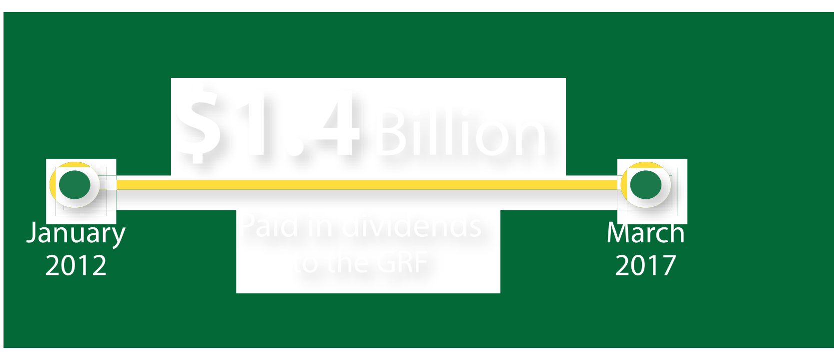
Operating, Investing and Financing Activities

Cash Flow Highlights (millions of dollars)	**2016-17**	**2015-16**	**Fifteen months 2015-16**
Cash from operations	**$ 127.3**	$ 101.0	$ 116.5
Cash provided by investing activities	**11.4**	11.1	7.1
Cash used in financing activities	**(219.0)**	(297.2)	(297.2)
Change in Cash	**$ (80.3)**	$ (185.1)	$ (173.6)

Net cash from operations of $127.3 million for 2016-17 increased from the same period in 2015-16 by $26.3 million. This increase is primarily a result of an increase in net earnings of $5.2 million mainly due to higher dividend revenue from Crown corporations for 2016-17, and an increase in the net change in non-cash working capital balances related to operations of $21.2 million as a result of higher dividends receivable.

Net cash provided by investing activities for 2016-17 was $11.4 million (2015-16 – $11.1 million), resulting in an increase in cash of $0.3 million. The increase in cash flows is primarily related to an $8.0 million increase in proceeds from the retraction of equity advances, which was partially offset by a $1.4 million decrease in repayments of investments in share capital corporations and a $1.3 million decrease in interest received. There were no reclassifications of cash between cash and cash equivalents and short-term investments in 2016-17, compared to $5.0 million in the same period in 2015-16. Short-term investments that have a maturity date of 90 days or less are classified as cash and cash equivalents.

Net cash used in financing activities for 2016-17 was $219.0 million as compared to $297.2 million in the same period of 2015-16. In 2016-17, CIC declared and paid a regular dividend to the GRF of $195.0 million; additional dividends of $15.0 million to support government initiatives; and a $9.0 million dividend for the Innovation Agenda for a total transfer of $219.0 million on March 30, 2017.



Public Policy Initiatives

First Nations and Métis Fund Inc. (FNMF)

FNMF was established 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 provides repayable loans to First Nations businesses that will create both investment and job opportunities.

At March 31, 2017, CIC had invested $11.4 million in FNMF to fund qualifying investments. Any further commitment from CIC is restricted to administration of FNMF.

Saskatchewan Immigrant Investor Fund Inc. (SIIF)

SIIF was established to participate in the Government of Canada's Immigrant Investor Program (IIP). SIIF uses IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assists developers in building affordable housing in Saskatchewan. At March 31, 2017, SIIF had approved loans of $465.5 million in support of 2,475 new homes, of which 2,070 homes are completed or currently under construction.

The Government of Canada has announced that it will no longer accept funds into the IIP. SIIF will complete its mandate five years after the last Government of Canada IIP allocation. At this point it is unknown when the last allocation will be received from the Government of Canada.

Gradworks Inc.

The Gradworks Intern Development Program provided recent post-secondary graduates with internships in CIC Crown corporations, providing the graduates job opportunities and valuable work experience that may lead to permanent jobs in the Crowns or with other Saskatchewan employers. For 2016-17, CIC provided grant funding of $0.3 million (2015-16 – $0.3 million) for the administration of Gradworks. On November 28, 2016, it was announced that Gradworks would be wound down. Current interns in Gradworks will complete their terms of service according to program parameters. Gradworks operations are expected to conclude in 2017-18.

Comparison of 2016-17 Results with Budget

(millions of dollars)	2016-17 Dividend Revenue[1] Budget	2016-17 Dividend Revenue[1] Actual	Budgeted Dividend % of Operating Earnings
Dividends to CIC			
SaskTel	**$ 30.0**	**$ 30.0**	N/A
SGC	**29.9**	**29.5**	80%
SaskEnergy	**27.2**	**28.9**	35%
SGI CANADA	**25.0**	**43.0**	N/A
CIC AMI	**15.0**	**20.0**	N/A
ISC	**4.3**	**4.3**	N/A
SaskWater	**1.5**	**1.7**	25%
SOCO	**0.1**	**-**	90%
SaskPower	**-**	**-**	N/A
STC	**-**	**-**	N/A
Total Dividend Revenue	**133.0**	**157.4**	
Grants to subsidiary corporations	**(14.5)**	**(13.9)**	
Operating and net finance expenses (net of other income)	**(12.1)**	**(11.4)**	
Separate Earnings	**$ 106.4**	**$ 132.1**	
Dividend to the GRF	**$ 204.0**	**$ 219.0**	

[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.

CIC SEPARATE

Comparison of 2016-17 Results with Budget *(continued)*

Earnings

Separate earnings for 2016-17 of $132.1 million were $25.7 million higher than budget. The earnings exceeded budget primarily due to higher than expected dividend revenue from subsidiary corporations of $24.4 million. Grant funding was $0.6 million lower than budget and operating and net finance expenses (net of other income) were $0.7 million lower than budget. A more detailed discussion of 2016-17 actual results compared to budget is included on the pages following.

Dividend Revenue

Dividend revenue was $157.4 million, an increase of $24.4 million from budget. This was primarily due to the following:

- SaskEnergy dividends were $1.7 million higher than budget due to cash availability;
- SGI CANADA's dividend of $43.0 million is $18.0 million higher than the budgeted dividend of $25.0 million, due to an increase in earnings from improved investment earnings and favourable underwriting results; and
- CIC AMI's dividend of $20.0 million is $5.0 million higher than budget due to increased cash availability for the dividend distribution.

Comparison of 2016-17 Results with Budget *(continued)*

Grants to Subsidiary Corporations

CIC's grants to subsidiary Crown corporations of $13.9 million was lower than budget by $0.6 million. This decrease is primarily the result of STC requiring lower capital grants for the Regina Maintenance Facility refurbishment as construction was completed ahead of schedule.

Dividend to the GRF

For 2016-17, CIC declared and paid dividends to the GRF of $219.0 million. CIC's dividends included the budgeted dividend of $195.0 million, additional dividends of $15.0 million to support government initiatives, and a special dividend of $9.0 million to support the Innovation Agenda. The $219.0 million dividend was paid to the GRF on March 30, 2017.

Operating and Net Finance Expenses

Operating and net finance expenses (net of other income) were $11.4 million, which was $0.7 million lower than budget of $12.1 million. CIC's operating expenditures were below budget due mainly to cost restraint initiatives in 2016-17.

Key Factors Affecting Financial Performance

Earnings of Crown Corporations

- The key factor affecting CIC's earnings is the level of dividends from commercial subsidiary Crown corporations which are impacted by weather, commodity prices, environmental regulations 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 financial sustainability of the subsidiary Crown.

Investment Values

- 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.
- There is a mandate to divest CIC's investments in CIC AMI, CIC Economic Holdco, and FNMF.

Looking Ahead to 2017-18

CIC's key financial initiatives for 2017-18 include:

- Provide a reasonable return to the shareholder (Province of Saskatchewan);
- Focus on cost management and strong earnings to support the government's goal to balance the budget by 2019-20;
- Maintain and improve Saskatchewan's Crown corporation infrastructure to meet the needs of both residents and businesses;
- Support public policy directives including:
  - assisting with the wind up of STC operations and sale of assets;
  - assisting with the wind down of Gradworks operations and successful completion of currently placed interns; and
  - providing capital to fund specified economic initiatives;
- Deliver the Government of Saskatchewan's HeadStart on a Home program that assists builders and developers in building affordable housing in Saskatchewan;
- Orderly liquidation of CIC AMI's investments;
- Enhance governance and accountability through a sector-wide Enterprise Risk and Opportunities Management (EROM) framework;
- Monitor new developments in financial reporting and governance, ensuring that CIC continues to be a leader in its reporting and accountability practices;
- Through an ongoing exercise of transformational change, challenge the Crowns to identify opportunities to ensure high quality services, while focusing on the most effective and efficient ways possible to deliver those services;
- Implement the Government of Saskatchewan's Procurement Transformation Action Plan, 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 work with the Ministry of Finance to achieve the goal of improved alignment of Crown sector and executive government planning cycles.

CIC Crown Corporations
2017-18 Earnings and Dividend Budget
(millions of dollars)

	Earnings (Loss)	Dividend to CIC[1]	Dividend % of Crown Operating Earnings
SaskPower	**$ 179.5**	$ -	-
SaskTel	**122.1**	109.9	90%
SaskEnergy	**90.6**	31.7	35%
SGI CANADA[2]	**37.2**	25.0	N/A
SGC	**23.5**	18.8	80%
SaskWater	**5.8**	1.5	25%
SOCO[3]	**3.7**	1.3	90%
CIC AMI[4]	**0.8**	-	N/A
SIIF	**(0.6)**	-	-
STC	**(0.3)**	-	-
CIC (separate) and other	**(27.9)**	4.3	-
Consolidated Totals	**$ 434.4**	**$ 192.5**	
Dividend to the GRF	**$ 180.0**		

[1] Dividends to CIC are typically based on a percentage of earnings from operations however various factors may lead to an amount being set on an alternate basis.

[2] SGI CANADA's dividend payout is a set dollar amount with a minimum payout of $25.0M based on alignment with Minimum Capital Test (MCT) target. A MCT higher than target will result in a higher dividend payout, which then will effectively decrease the MCT to the target.

[3] SOCO's dividend is based on budgeted earnings, excluding a gain on sale of its building located in Prince Albert.

[4] CIC AMI's dividend is based on cash availability.

STC
The Bus Company

"At STC, customer service and safety have always been our top priority. We take pride in everything we do for our customers and the citizens of Saskatchewan. With the announcement on March 22, 2017 bringing STC to a close, we want to thank you for the opportunity to serve you; it has been our pleasure."

Shawn Grice, President & CEO, STC

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 4 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 opposite.

Blair Swystun, CFA	Cindy Ogilvie, CPA, CA
President & CEO	Vice President & CFO

June 19, 2017

Independent Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan

We have audited the accompanying separate financial statements of **Crown Investments Corporation of Saskatchewan**, which comprise the separate statement of financial position as at March 31, 2017, the separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. These separate financial statements have been prepared at the request of the Legislative Assembly of Saskatchewan.

Management's Responsibility for the Separate Financial Statements
Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the separate financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the separate financial statements present fairly, in all material respects, the separate financial position of Crown Investments Corporation of Saskatchewan as at March 31, 2017, its separate financial performance and its separate cash flows for the year then ended in accordance with the basis of accounting described in Note 2 and Note 4 to the separate financial statements.

Basis for Accounting and Restriction on Use
Without modifying our opinion, we draw attention to Note 2 and Note 4 to the separate financial statements which describes the basis of accounting. The separate financial statements are prepared for the purpose of tabling with the Legislative Assembly of Saskatchewan. As a result, the separate financial statements may not be suitable for another purpose. Our report is intended solely for the Legislative Assembly of Saskatchewan and Crown Investments Corporation of Saskatchewan and should not be used by parties other than the Legislative Assembly of Saskatchewan and Crown Investments Corporation of Saskatchewan.

KPMG LLP

Chartered Professional Accountants
June 19, 2017
Regina, Saskatchewan

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

	Note	2017	2016
ASSETS			
Current			
Cash and cash equivalents	6	**$ 52,628**	$ 132,880
Interest and accounts receivable		**110**	740
Dividends receivable		**61,426**	55,654
		114,164	189,274
Equity advances to Crown corporations	7	**1,176,918**	1,186,918
Investments in share capital corporations	8	**4,579**	6,306
Equipment		**162**	148
		$ 1,295,823	$ 1,382,646
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Interest and accounts payable		**$ 2,439**	$ 2,376
Province of Saskatchewan's Equity			
Equity advances	9	**908,889**	908,889
Retained earnings		**384,495**	471,381
		1,293,384	1,380,270
		$ 1,295,823	$ 1,382,646

Commitments and contingencies 10

(See accompanying notes)

On behalf of the Board:

Director

Director

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

	Note	Twelve Months 2017	Fifteen Months 2016
INCOME FROM OPERATIONS			
Dividend revenue	11	**$ 157,352**	$ 184,474
Other income		**9**	31
		157,361	184,505
EXPENSES			
Operating		**4,974**	6,459
Salaries and short-term employee benefits		**5,655**	7,417
Employee future benefits		**418**	502
Impairment loss	8(b)	**1,727**	3,000
Depreciation		**32**	84
Loss on disposal of equipment		**4**	-
		12,810	17,462
EARNINGS FROM OPERATIONS		**144,551**	167,043
Finance income	12	**1,404**	3,457
Finance expenses	12	**(9)**	(11)
NET FINANCE INCOME		**1,395**	3,446
EARNINGS BEFORE PUBLIC POLICY INITIATIVES		**145,946**	170,489
Grants to subsidiary corporations	13	**(13,882)**	(17,039)
NET EARNINGS		**132,064**	153,450
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 132,064**	$ 153,450

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Separate Statement of Changes in Equity
For the Period Ended March 31
(thousands of dollars)

		Attributable to the Province of Saskatchewan		
	Note	Equity Advances	Retained Earnings	Total Equity
Balance at January 1, 2015		$ 908,889	$ 615,130	$ 1,524,019
Total comprehensive income		-	153,450	153,450
Dividends to the General Revenue Fund (GRF)	9	-	(297,199)	(297,199)
Balance at March 31, 2016		$ 908,889	$ 471,381	$ 1,380,270
Balance at April 1, 2016		**$ 908,889**	**$ 471,381**	**$ 1,380,270**
Total comprehensive income		**-**	**132,064**	**132,064**
Dividends to the GRF	9	**-**	**(218,950)**	**(218,950)**
Balance at March 31, 2017		**$ 908,889**	**$ 384,495**	**$ 1,293,384**

(See accompanying notes)

CIC SEPARATE

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

	Note	Twelve Months 2017	Fifteen Months 2016
OPERATING ACTIVITIES			
Net earnings		$ 132,064	$ 153,450
Adjustments to reconcile net earnings to cash from operating activities:			
Depreciation		32	84
Loss on disposal of equipment		4	-
Impairment loss	8(b)	1,727	3,000
Net finance income	12	(1,395)	(3,446)
		132,432	153,088
Net change in non-cash working capital balances related to operations	14	(5,079)	(36,571)
Interest paid		(9)	(11)
Net cash from operating activities		127,344	116,506
INVESTING ACTIVITIES			
Interest received		1,404	3,457
Proceeds from retraction of equity advances	7	10,000	2,000
Repayment of due from First Nations & Métis Fund Inc.		-	1,190
Repayment of due from CIC Economic Holdco Ltd.		-	468
Purchase of equipment		(50)	(8)
Net cash from investing activities		11,354	7,107
FINANCING ACTIVITIES			
Dividend paid to GRF	9	(218,950)	(297,199)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING PERIOD		(80,252)	(173,586)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		132,880	306,466
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 52,628	$ 132,880

(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 5.

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 CIC Board of Directors on June 19, 2017.

b) Change of year end

CIC was directed by the provincial government to change its fiscal year end to March 31 to coincide with that of the Province of Saskatchewan. Information included in the separate financial statements reflects the second complete fiscal period consisting of the twelve months ended March 31, 2017 as compared to the fifteen month period ended March 31, 2016. As a result, information contained in these separate financial statements may not be comparable with previously reported information.

c) 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.

d) Functional and presentation currency

The separate financial statements are presented in Canadian dollars, which is CIC's functional currency.

e) 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 7 and 8.

f) 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.

3. Application of revised accounting standards

The following amendments to standards, effective for annual periods beginning on or after January 1, 2016, have been applied in preparing these separate financial statements:

- IAS 1, *Presentation of financial statements*
- IAS 16, *Property, plant and equipment*
- *Annual Improvements Cycle 2012-2014*

The adoption of these amended standards had no material impact on the separate financial statements.

4. 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 19, 2017. 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, six 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.

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.

4. Summary of significant accounting policies *(continued)*

d) Impairment of equity in Crown corporations and share capital corporations *(continued)*

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 reversal 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 per cent declining balance

f) Financial instruments

CIC classifies its financial instruments into one of the following categories: fair value through profit or loss; loans and receivables; and other liabilities.

Financial assets and liabilities are not offset with the net amount reported on the Separate Statement of Financial Position unless 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. CIC does not net financial assets or liabilities for presentation in the Separate Statement of Financial Position.

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) Non-derivative financial assets

CIC's non-derivative financial assets include financial assets at fair value through profit or loss and loans and receivables.

CIC initially recognizes loans and receivables at fair value on the date that they originated. All other financial assets, including assets designated at fair value through profit or loss, are recognized initially at fair value on the trade date at which CIC becomes a party to the contractual provisions of the instrument.

CIC de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows of the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by CIC is recognized as a separate financial asset or liability.

4. Summary of significant accounting policies *(continued)*

f) Financial instruments *(continued)*

i) Non-derivative financial assets *(continued)*

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held-for-trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if CIC manages such investments and makes purchase and sale decisions based on their fair value in accordance with CIC's documented risk strategy. Upon initial recognition, transaction costs attributable are recognized in net earnings as incurred. Cash and cash equivalents classified as held-for-trading and are measured at fair value through profit and loss, and changes therein are recognized through net earnings.

Loans and receivables

Loans and receivables are comprised of interest and accounts receivable and dividends receivable.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

ii) Non-derivative financial liabilities

CIC's non-derivative financial liabilities include interest and accounts payable.

CIC initially recognizes non-derivative financial liabilities on the date they originate. All other financial liabilities, including liabilities designated at fair value through profit or loss, are recognized initially on the trade date at which CIC becomes a party to the contractual provisions of the instrument.

CIC derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

g) Equity advances

CIC periodically receives funding from the Government of Saskatchewan through the GRF. Funding can be provided for one of two purposes, the funding of government policy initiatives for which no return is expected or required, or for 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 10).

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*.

4. Summary of significant accounting policies *(continued)*

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. CIC was a member of Capital Pension Plan (CPP), a defined contribution pension plan until June 25, 2015 as disclosed in Note 18.

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.

k) Finance income and expenses

Finance income is comprised of interest income from short-term investment holdings. Interest income is recognized as it accrues in the Separate Statement of Comprehensive Income, using the effective interest method. On the Separate Statement of Cash Flows, interest income is recorded as an investing activity. Finance expenses are comprised of bank and service charges. On the Separate Statement of Cash Flows interest expense is recorded as an operating activity.

l) New accounting standards and interpretations not yet adopted

Certain new standards, interpretations and amendments to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee that are not yet effective for the twelve months ended March 31, 2017. These include:

IFRS 9, *Financial Instruments*

In July 2014, the final version of IFRS 9, *Financial Instruments* was issued. The standard sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. It has also modified the hedge accounting model to better link the economics of risk management with the accounting treatment of hedges. The standard is effective for reporting periods beginning on or after
January 1, 2018. IFRS 9 may affect the classification, measurement and valuation of certain assets and liabilities. CIC is in the process of assessing the impact of the adoption of the standard on the separate financial statements. CIC plans to early adopt IFRS 9 effective April 1, 2017.

4. Summary of significant accounting policies (continued)

l) New accounting standards and interpretations not yet adopted (continued)

IFRS 16, *Leases*

In January 2016, IFRS 16, *Leases* was issued. IFRS 16 replaces IAS 17, *Leases*. Under the new standard all leases will be brought onto companies' balance sheets. IFRS 16 also removes the classification of leases as either operating leases or finance leases (for the lessee - the lease customer), treating all leases as finance leases. IFRS 16 must be adopted for annual periods beginning on or after January 1, 2019. IFRS 16 will affect the classification, measurement and valuation of leases. CIC is currently assessing the impact of the standard on the separate financial statements.

5. Status of Crown Investments Corporation of Saskatchewan

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* (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)	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 Transportation Company (STC)	Passenger and freight transportation
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management

In addition to the above Crown corporations, CIC is the sole member of Gradworks Inc., a wholly-owned non-profit subsidiary and 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.

6. Cash and cash equivalents

Included in cash and cash equivalents are $7.3 million (2016 - $87.9 million) of short-term investments with an effective interest rate of 1.08 per cent (2016 - 0.82 per cent).

7. Equity advances to Crown corporations

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

	2017	2016
Saskatchewan Power Corporation	$ 660,000	$ 660,000
Saskatchewan Telecommunications Holding Corporation	250,000	250,000
Saskatchewan Opportunities Corporation (a)	106,687	116,687
Saskatchewan Government Insurance	80,000	80,000
SaskEnergy Incorporated	71,531	71,531
Saskatchewan Water Corporation	8,700	8,700
	$ 1,176,918	$ 1,186,918

a) During the twelve months ended March 31, 2017, CIC retracted $10.0 million (fifteen months 2016 - $2.0 million) in equity advances from Saskatchewan Opportunities Corporation.

8. Investments in share capital corporations

(thousands of dollars)

	Voting Percentage	2017	2016
CIC Asset Management Inc. (a):			
1 (2016 - 1) Class A common share	100%	$ -	$ -
First Nations and Métis Fund Inc. (b):			
100 (2016 - 100) Class A common shares	100%	-	-
Due from FNMF		11,427	11,427
Impairment in value of FNMF		(7,727)	(6,000)
		3,700	5,427
CIC Economic Holdco Ltd. (c):			
100 (2016 - 100) Class A common shares	100%	-	-
Due from CIC Economic Holdco Ltd.		879	879
		879	879
Saskatchewan Immigrant Investor Fund Inc. (d):			
1 (2016 - 1) Class A common share	100%	-	-
Information Services Corporation (e):			
5,425,000 (2016 - 5,425,000) Class A Limited Voting shares	31%	-	-
		$ 4,579	$ 6,306

CIC SEPARATE

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

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. Due to losses accumulated from investments made by FNMF, CIC has recorded a $7.7 million (2016 - $6.0 million) provision against amounts due from FNMF, which reflects CIC's current expectations of recovery of these amounts. During the twelve months ended March 31, 2017, FNMF repaid Nil (fifteen months 2016 - $1.2 million) of its loan from CIC.

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 focusing primarily on investment in Saskatchewan and the creation of employment and economic growth and expansion of the small business sector in Saskatchewan. CIC Economic Holdco Ltd. holds a 45.5 per cent (2016 – 45.5 per cent) joint venture interest in SEFJV. During the twelve months ended March 31, 2017, CIC Economic Holdco. Ltd. provided a distribution of Nil (fifteen months 2016 - $0.5 million) to CIC.

   At March 31, 2017, CIC Economic Holdco Ltd. had total assets of $1.2 million (2016 - $0.9 million) and recorded earnings of $0.3 million (2016 - $0.1 million loss). CIC has invested $0.9 million (2016 - $0.9 million) in capital in SEFJV through CIC Economic Holdco Ltd.

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 uses the IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assists builders and developers in building affordable housing. On February 11, 2014, the Government of Canada announced that it would no longer accept funds into the IIP. SIIF will complete its mandate five years after the last Government of Canada IIP allocation.

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, 2017, the fair value of these shares was $105.8 million (2016 - $77.3 million).

9. 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 twelve months ended March 31, 2017, CIC did not repay 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 period ending March 31, 2017, CIC declared and paid $219.0 million (fifteen months 2016 - $297.2 million) in dividends to the GRF.

10. Commitments and contingencies

CIC, as plan sponsor of CPP, has guaranteed the annuities for the Retirement Annuity Fund portion. CIC does not expect any exposure under this guarantee in 2017-18.

11. Dividend revenue

(thousands of dollars)

	Twelve Months 2017	Fifteen Months 2016
Saskatchewan Government Insurance	**$ 43,000**	$ 47,250
Saskatchewan Telecommunications Holding Corporation	**30,000**	37,500
Saskatchewan Gaming Corporation	**29,500**	26,145
SaskEnergy Incorporated	**28,866**	64,736
CIC Asset Management Inc.	**20,000**	-
Information Services Corporation	**4,340**	5,425
Saskatchewan Water Corporation	**1,646**	1,929
Saskatchewan Opportunities Corporation	**-**	1,489
	$ 157,352	$ 184,474

12. Finance income and expenses

(thousands of dollars)

	Twelve Months 2017	Fifteen Months 2016
Interest income from short-term investment holdings	**$ 1,404**	$ 3,457
Bank and service charges	**(9)**	(11)
	$ 1,395	$ 3,446

13. Grants to subsidiary corporations

(thousands of dollars)

	Twelve Months 2017	Fifteen Months 2016
Saskatchewan Transportation Company (a)	**$ 13,578**	$ 16,670
Gradworks Inc. (b)	**304**	369
	$ 13,882	$ 17,039

a) On March 22, 2017, the Government of Saskatchewan announced that STC will be wound-up. All operations ceased on May 31, 2017.

b) On November 28, 2016, it was announced that Gradworks will be wound-down. Gradworks operations are expected to conclude in 2017-18 and will not receive an operating grant from CIC thereafter.

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

(thousands of dollars)

	Twelve Months 2017	Fifteen Months 2016
Decrease in interest and accounts receivable	**$ 630**	$ 84
Increase in dividends receivable	**(5,772)**	(36,345)
Increase (decrease) in interest and accounts payable	**63**	(310)
	$ (5,079)	$ (36,571)

15. Financial instruments

a) Market risk

Interest rate price 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 short-term money market instruments 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.

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.

16. 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.

16. Related party transactions *(continued)*

CIC provides management services to CIC AMI, FNMF, Gradworks Inc., SIIF, and CIC Economic Holdco Ltd. without charge.

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 period (2016 - 1.92 per cent).

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

	Twelve Months 2017	Fifteen Months 2016
Salaries and short-term employee benefits	**$ 1,060**	$ 1,174
Employee future benefits	**76**	108
Other	**6**	6
	$ 1,142	$ 1,288

17. Pension plan

CIC is a member of 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 twelve months ended March 31, 2017 was $0.7 million (fifteen months 2016 - $0.3 million).

As at June 25, 2015, CPP's Defined Contribution Fund members and assets were transferred to PEPP. The total amount paid to CPP to March 31, 2017 was Nil (2016 - $0.2 million). CPP is now comprised of a Retirement Annuity Fund (the Fund) which provided CPP members with the option of purchasing a life annuity upon retirement. CPP transferred the administration of the Fund to PEBA. An actuarial valuation of the Fund is performed annually. The assets of the Fund at March 31, 2017 exceed the actuarially determined net present value of retirement annuities payable.

Glossary of Terms

Accumulated Other Comprehensive Income (Loss)
Comprises the accumulated balance of all components of other compressive income, 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 or weighing 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.

Cash Flow Return on Equity
A measure of profitability used to evaluate the Province's investment in CIC. It is based on the cash return (e.g. dividend) provided the owner is calculated as dividends paid to the GRF divided by the province's equity.

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.

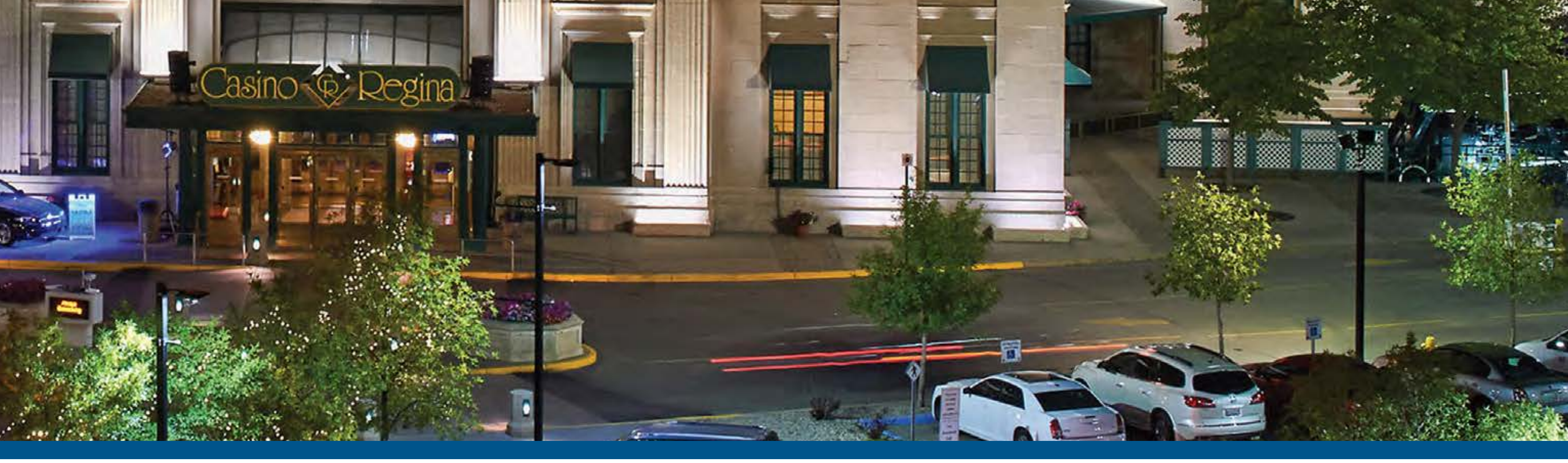
Debt Ratio
Measures the per cent of debt in the overall capital structure of an organization and is used to evaluate its financial flexibility. It is calculated as total debt from ongoing operations (long-term debt plus long-term debt due within one year plus notes payable) less sinking funds divided by the corporation's capital (debt plus equity (excluding accumulated other comprehensive income (loss))).

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. Dividends 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
The percentage of operating earnings that has been paid out as dividends.

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.

Option
A contract that grants the right, but not the obligation, to buy or sell a commodity or financial instrument at a specific price at a point in time during a defined period.

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 income.

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 (excluding accumulated other comprehensive income (loss)).

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.

SWAP
A contractual agreement to exchange a stream of periodic payments with a counterparty.

"We are proud of our reputation for innovation, collaboration and excellence. It helps make Innovation Place the preferred location for startups and technology companies. We are pleased to support these companies and facilitate the creation of new, highly skilled jobs that help keep our graduates in the province. By keeping Saskatchewan's technology sector strong, we help keep Saskatchewan strong."

Van Isman, President & CEO, Innovation Place
Saskatchewan Opportunities Corporation

Directory

Crown Investments Corporation
President: Blair Swystun
400 – 2400 College Avenue
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
President: Van Isman
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 (Acting)[1]
2121 Saskatchewan Drive
Regina, Saskatchewan S4P 3Y2
Inquiry: 1-800-727-5835
Website: www.sasktel.com

Saskatchewan Transportation Company
President: Shawn Grice
1717 Saskatchewan Drive
Regina, Saskatchewan S4P 2E2
Inquiry: 306-787-3347
Website: www.stcbus.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
1777 Victoria Avenue
Regina, Saskatchewan S4P 4K5
Inquiry: 1-800-567-8899
Website: www.saskenergy.com

[1] Doug Burnett was appointed Acting President of SaskTel effective July 1, 2017 upon Ron Styles' retirement.

Crown Investments Corporation of Saskatchewan
400 – 2400 College Avenue | Regina, Saskatchewan, Canada S4P 1C8
Inquiries: 306-787-6851 | Fax: 306-787-8125

www.cicorp.sk.ca