ANNUAL REPORT 2021-22

CIC

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

Table of Contents

2021-22

Letter of Transmittal

Regina, Saskatchewan
July 2022

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

May it please Your Honour:

I have the honour to submit herewith the annual report of the Crown Investments Corporation of Saskatchewan for the fiscal year ending March 31, 2022, in accordance with *The Crown Corporations Act, 1993*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan, as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,

Don Morgan

Honourable Don Morgan, Q.C.
Minister of Crown Investments Corporation

Message from the Minister

The arrival of 2021-22 brought promises of calmer days for our province, leaving COVID-19 in our rearview, looking forward to the return of stabilized markets and strong economies. Although we did see progress in these areas, we didn't expect record high inflation, market disruptions and supply issues, and the Russian invasion of Ukraine.

These challenges – some new and some not – were met once again with the resilience and determination so characteristic of Saskatchewan. You need not look any further than our Crown corporations to appreciate that despite the new or past challenges, the sector maintained the province's high quality of life, enjoying safe, reliable and affordable services. We have come to expect this in our province. However, we have also come to expect more.

The Crown sector contributes to the economic success of Saskatchewan by providing sustainable financial returns, delivering high quality services, and by investing in public policy programming that benefits our communities and enables growth. This growth is not simply economic. It is ensuring services and opportunities are widely available such as SaskTel's Rural Wireless program or SaskPower's Community Rink Program or SaskEnergy's Home Appliance Rebate program. The Crown sector is integral to success in Saskatchewan by supporting people, communities and businesses throughout these challenges we face.

In 2021-22, CIC, on behalf of the Crown corporations, provided financial contributions to the Province of $327 million to the General Revenue Fund (GRF) with $361 million in earnings and $1.6 billion in capital spending. The capital programs not only maintain aging infrastructure and install new systems, they are also a tool to stimulate the economy, support investment attraction and create jobs that fuel economic growth. The Crown sector plays a key role in building a strong Saskatchewan, focusing on the government's plan for the next decade – and more – of growth.

There are exciting days ahead with both challenges and opportunities. We will see additional work done to assess Small Modular Reactor technology as a potential source of power generation in Saskatchewan. There are plans for energy security and transition to new energy sources as the power sector looks for lower emitting generation. Through all of this, we expect our utilities to service a growing province, maintaining and renewing existing infrastructure. In short, the Crown sector will be central to Saskatchewan's continued success.

These successes would not be possible without the dedicated and professional Crown sector management and staff who collaborate, innovate and serve Saskatchewan people all year long. Thank you to the more than 11,000 Crown employees who make this possible.

Don Morgan

Don Morgan, Q.C.
CIC Board Chair

President's Message

Saskatchewan has always been a strong, resilient province. The past few years have presented new twists and turns, to which it has successfully responded. Through it all, the Crown sector has continued to provide services that allow residents and businesses in Saskatchewan to maintain a high standard of living. 2021-22 was no exception, bringing change and challenges, and as always, the Crown sector responded.

Crown corporations continued to deliver safe, reliable and affordable services while achieving the lowest possible utility cost in Canada in 2021. The Crowns, through CIC, provided dividends and equity repayments to the General Revenue Fund contributing resources for government's priorities. Continued investments in capital projects helped to stimulate a resurging economy as it moved beyond the pandemic impacts. Throughout these difficult times, the Crown sector continued investing in infrastructure, enhancing services, creating jobs, and supporting Saskatchewan businesses – encouraging a return to a strong and growing economy.

CIC is leading and supporting the sector with a renewed balance between commercial operations and public policy programs, positioning the Crown sector as an integral partner in the province's Growth Plan and public policy focus. This balance will ensure Saskatchewan people have access to the services they need. It is also key to attracting investment by providing infrastructure and services for industrial and value-added industry development in the province.

A strong focus on Crown collaboration initiatives and operating as one team is resulting in greater alignment between ministries, agencies and the Crown sector. Together, Crowns and executive government continue to focus on achieving the government's Growth Plan actions and objectives through collaboration, empowering the public sector to act on opportunities and find innovative solutions to benefit our province.

Change takes a massive effort from all involved, and the focus and dedication of the more than 11,000 Crown sector employees make these achievements possible. As a province we continue to benefit from the expertise and innovation provided by Crown sector staff. Thank you for your efforts and your continued great work!

Kent Campbell
President & CEO

2021-22 Highlights

$1.6 BILLION

Investment in Infrastructure

ensuring economic strength and stimulating the economy

60.4%

Consolidated Debt Ratio

healthy financial capacity

$327 MILLION

CIC Payments to the GRF

supports spending for government priorities

5.7%

Consolidated Return on Equity

return on the public's investment

$361 MILLION

Consolidated Net Earnings

strong Crown sector results

Corporate Information

Casino Regina completed a planned property refresh supporting the Saskatchewan construction sector and local sub-trades during the pandemic shutdown.

SaskGaming

Corporate Overview

Crown Investments Corporation of Saskatchewan (CIC) is the financially self-sufficient holding company for seven[1] subsidiary commercial Crown corporations and one wholly-owned subsidiary. In its oversight role of the Crown sector, CIC is responsible for the development and oversight of broad policy initiatives, directing investment and providing dividends to the provincial government's General Revenue Fund (GRF).

CIC oversees and manages a comprehensive framework designed to strengthen governance, performance and accountability of subsidiary Crowns. It also assists subsidiary Crown boards to carry out their responsibilities of directing and overseeing the management of the Crowns.

The corporation implements governance, enterprise risk management, and reporting and disclosure practices consistent with those of publicly-traded companies, where such practices can reasonably be applied to the public sector. Specifically, CIC provides oversight on behalf of the government by:

- providing strategic Shareholder direction and managing Crown sector performance;
- promoting best practices in Crown sector governance and disclosure; and
- developing broad policy initiatives and administering select government programs.

Corporate Mandate

CIC's governing legislation and mandate are defined by *The Crown Corporations Act, 1993*:

- It is the holding company for all subsidiary Crown corporations, exercising supervisory powers granted in the interest of all Saskatchewan residents; and
- It is the agency responsible for making and administering investments on behalf of the Government of Saskatchewan.

Holdings

CIC exercises supervisory responsibilities over its subsidiary Crown corporations in addition to operating as a Crown corporation itself. As of March 31, 2022, the subsidiary Crown corporations and wholly-owned subsidiary included:

Investment & Economic Growth

Saskatchewan Opportunities Corporation (SOCO)[1]

CIC Asset Management Inc. (CIC AMI)[2]

Utilities

Saskatchewan Power Corporation (SaskPower)

Saskatchewan Telecommunications (SaskTel)

SaskEnergy Inc. (SaskEnergy)

Saskatchewan Water Corporation (SaskWater)

Insurance

Saskatchewan Government Insurance (SGI CANADA)[3]

Entertainment

Saskatchewan Gaming Corporation (SGC)

[1] On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022.

[2] On April 1, 2021, the Saskatchewan Immigrant Investor Fund, First Nations and Métis Fund and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated, and the entity continues to operate as CIC AMI.

[3] 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.

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**

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.

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.

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.

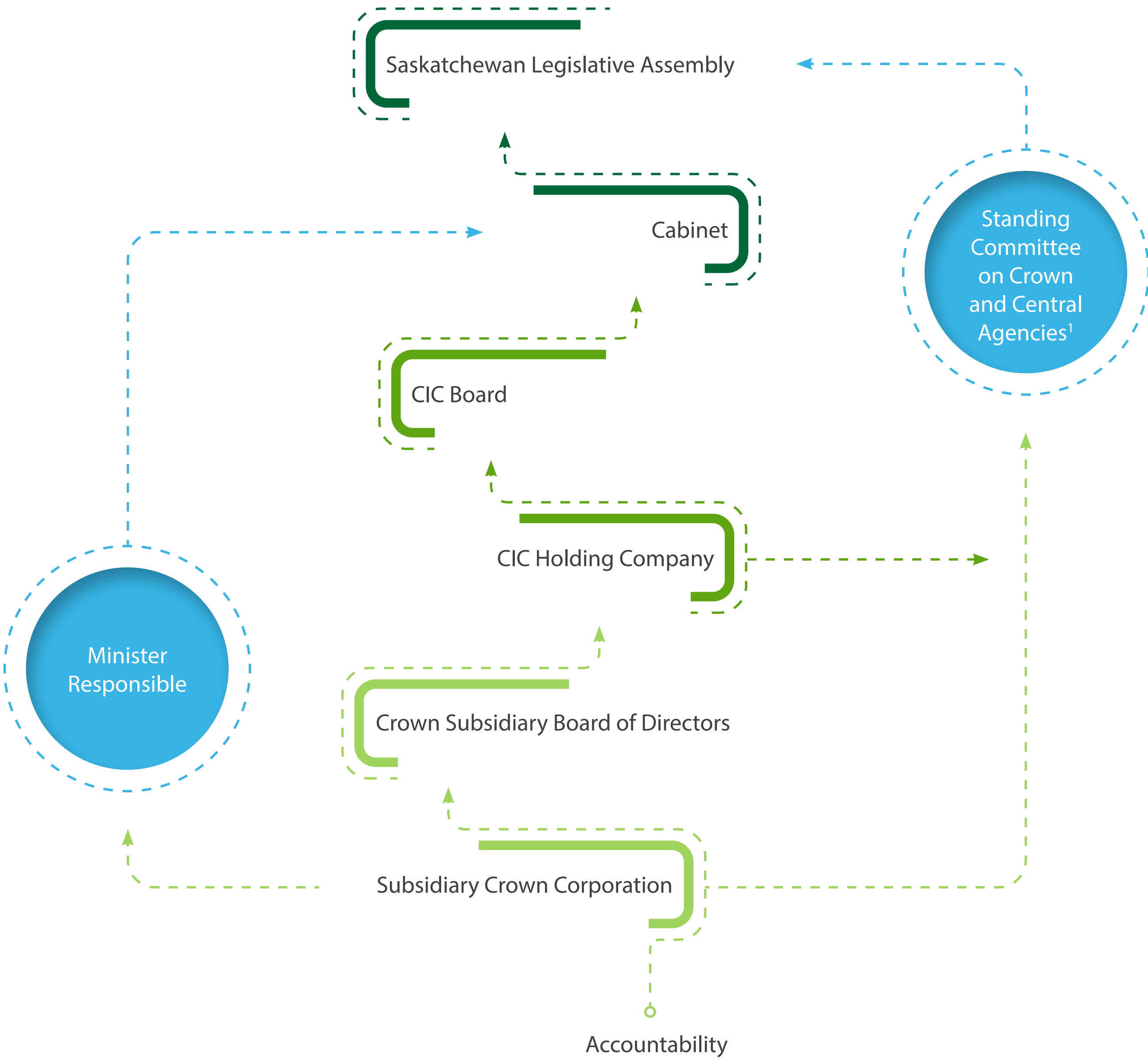
EXCELLENCE

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.

Financial & Public Accountability

The following chart depicts the accountability structure of CIC Crown corporations to both the government and the Standing Committee on Crown and Central Agencies, an all-party committee of the legislative assembly. It illustrates the flow of the reporting structure for decision items and performance management as well as the oversight responsibilities of:

- the government (as the Shareholder and mandating body for the Crown corporations);
- the CIC Board (as the representative of the Shareholder to ensure mandates and activities are consistent with the interest and intent of government); and
- each Crown corporation's board of directors (as the stewardship body with fiduciary duty for the Crown's operations).



[1] The Standing Committee on Crown and Central Agencies considers matters related to CIC and its subsidiaries. Reports of the Provincial Auditor, as they relate to CIC and its subsidiaries, are permanently referred to the Standing Committee on Crown and Central Agencies.

Crown Sector Alignment

Government's Vision and Goals

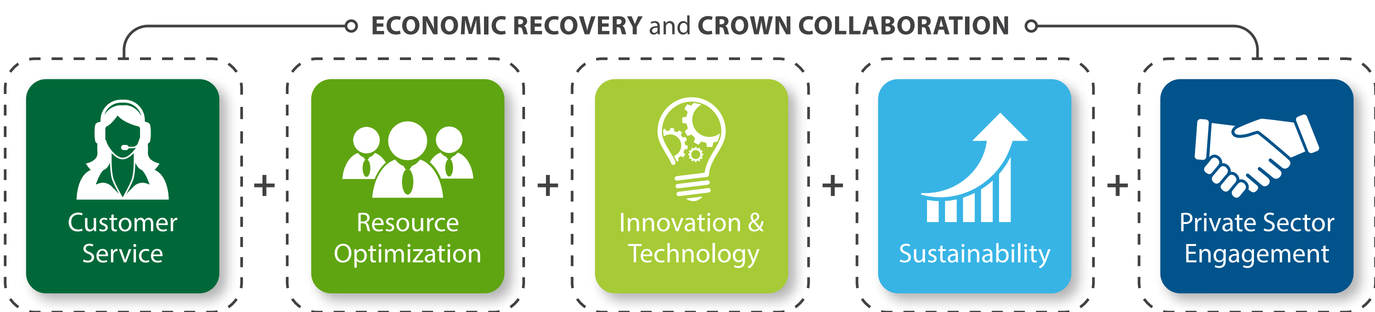
The CIC Crown sector plays an important role in achieving government's direction for the province. The government's vision and goals are the foundation for the Crown Sector Strategic Priorities that serve as the road map to achieve government's direction. These four goals are:

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

Crown Sector Strategic Priorities

The Crown Sector Strategic Priorities (CSSP) are the cornerstone of CIC's strategic and performance management framework and provides a foundation for developing CIC's and subsidiary Crown corporations' strategic and performance management plans. The system through which CIC provides direction and monitors performance is discussed on page 10.

Consistent with government direction, the CSSP focused on economic growth and ensuring Saskatchewan people and businesses continue to have access to affordable, high-quality services and needed infrastructure. Under the overarching principles of enabling economic recovery and Crown collaboration, the following five strategic priorities guided Crown sector 2021-22 planning:



Customer Service

- Support customers as they recover from challenges created by the pandemic.
- Provide high-quality products and services that are timely, safe and reliable.
- Keep rates and fees reasonable, predictable and competitive.
- Meet growing customer expectations and take measures to enhance customer experience.

Resource Optimization

- Ensure the health and safety of employees and the public are prioritized.
- Attract, develop, and retain innovative, high performing employees.
- Promote teamwork and collaboration within the Crown sector and across government.
- Utilize available expertise, assets and resources throughout the sector to achieve positive operational outcomes.

Innovation & Technology

- Ensure business systems are efficient, sustainable and customer-focused.
- Ensure effective business continuity plans are in place and regularly tested.
- Apply continuous improvement methods to enhance services and reduce costs.
- Strengthen the security, integrity and reliability of systems and operations.

Sustainability

- Support economic recovery through capital investment, competitive rates, and excellent customer service.
- Reduce emissions and develop strategies to mitigate the effects of climate change.
- Ensure financial health and resiliency are maintained and appropriate resources are invested to enable future competitiveness.
- Prioritize capital plans and infrastructure spending to ensure safety and reliability.
- Focus investments primarily in Saskatchewan and work to strengthen local supply chains and enhance community involvement.

Private Sector Engagement

- Stimulate Saskatchewan's economy through best value procurement initiatives and engaging local vendors.
- Support the development of partnerships, joint ventures and other innovative arrangements with private sector partners.
- Increase Indigenous engagement in and with the Crown sector.
- Work proactively with other government agencies to support the attraction of new private investment to Saskatchewan.
- Implement solutions that make it easier to do business in Saskatchewan.

In 2021-22, SaskGaming and the Saskatchewan Indian Gaming Authority announced a historic partnership to establish an online gaming channel for the province.

Operating Context

Providing Shareholder Direction & Performance Management

CIC communicates Shareholder direction to its subsidiary Crown corporations and monitors their performance against targets and measures approved by the CIC Board. The strategic and performance management framework ("the framework") demonstrates how strategic direction is relayed and performance is managed in the Crown sector.

Strategic Shareholder Direction

The first stage in the framework is the development of the CSSP. The CIC Board is responsible for endorsing the CSSP and CIC leads the annual development. The CSSP articulate Shareholder expectations and provide medium to long-term direction to the Crown sector. That direction is derived from the broader government vision, the annual provincial budget, consultation with government officials, and from key government documents, such as *Saskatchewan's Growth Plan: The Next Decade of Growth*. CIC ensures that the Crowns are working towards achieving the CSSP outlined on pages 8-9.

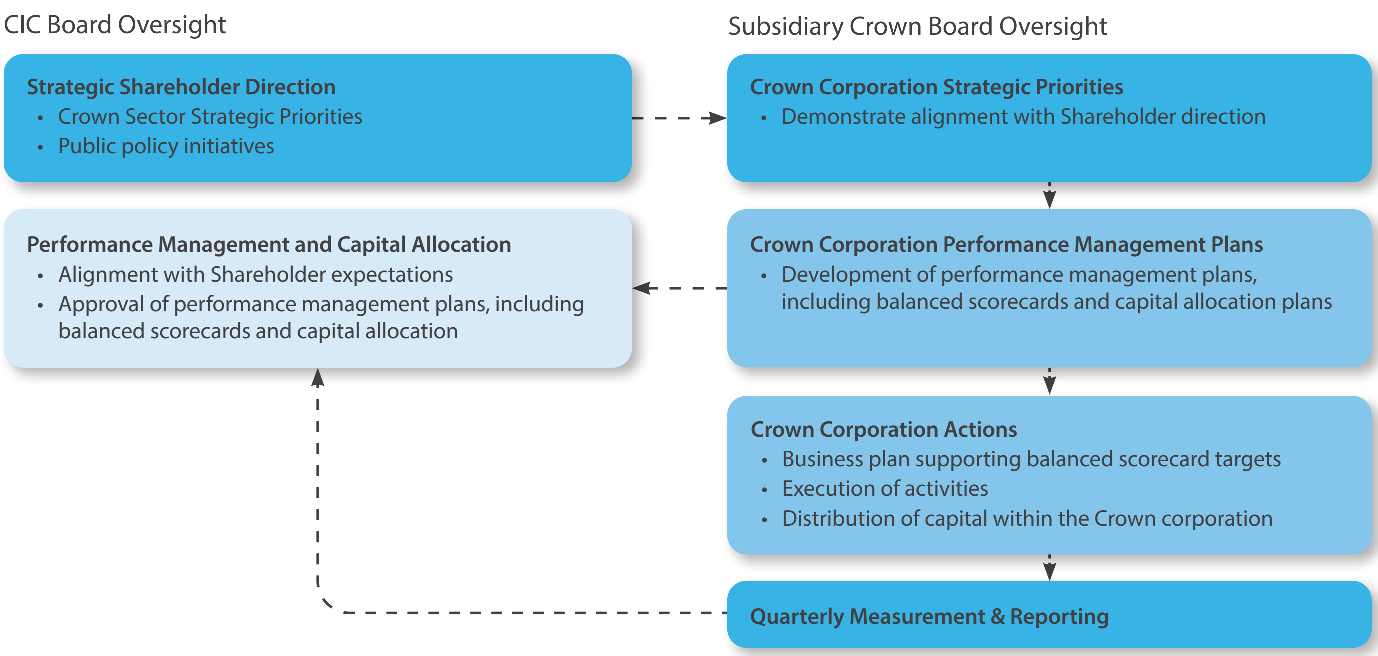
Subsidiary Crown Corporation Plans

The second stage is the development of the subsidiary Crowns' corporate strategic plans, demonstrating alignment with Shareholder direction contained within the CSSP. Each subsidiary Crown prepares a comprehensive performance management plan that includes a balanced scorecard with measures and targets that link to the broad strategic directions established in the CSSP and its corporate strategic plan. Performance management plans are prepared by Crown management and considered and approved by subsidiary Crown boards.

Performance Management Approval & Reporting

The third stage is consideration and approval of subsidiary Crown performance management plans by the CIC Board. Every year, the CIC Board evaluates each Crown's performance management plan for the upcoming year. This includes ensuring that each Crown has assessed its risks and created strategies that address those risks and meet government priorities to maintain sustainable Crown corporations and strong services. In addition to approving performance objectives and targets, the CIC Board also determines the capital allocation among Crown corporations for reinvestment, debt management and dividends. The CIC Board may provide further direction to a Crown prior to approving the final plan. Throughout the year, CIC monitors progress toward achieving each Crown's goals, with quarterly reviews and reports submitted to the CIC Board.

CIC's Strategic & Performance Management Framework



Promoting Best Practices in Crown Sector Governance

CIC assists its subsidiary Crown corporation boards of directors in adapting and implementing leading corporate governance practices and standards as applicable to a public enterprise. In doing so, CIC:

- delivers centralized corporate secretarial and governance advisory services to the Crown boards;
- supports boards in identifying director skill sets required to function effectively;
- develops and implements assessment tools to assist Crown boards to improve performance;
- sponsors a professional development training program leading to a director designation and general governance training to enhance overall board skills; and
- provides a Directors Reading Program that distributes relevant or new governance resource material to all Crown directors on a quarterly basis.

Communication of Shareholder Expectations

Open, timely and reliable communication between the Shareholder and each Crown board is essential to a successful governance framework and sound decision-making. CIC and its subsidiary Crown corporations have initiated several effective communication channels, including:

- regular meetings between the chairs of the Crown boards and senior CIC officials to discuss Shareholder priorities and share information regarding matters of mutual interest;
- meetings with the chairs of committees of the Crown boards to discuss initiatives and emerging trends that will impact the committee's area of responsibility;
- regular reports from the Crown board chairs to the CIC Board highlighting items of significance considered at the board level, major Crown initiatives and significant corporate risks;
- meetings between the CIC President & CEO and the board chairs and presidents of subsidiary Crown corporations; and
- on request, attendance by CIC senior officials at Crown board meetings to discuss matters of mutual interest.

Management Certification of Financial Statements

In the interest of public accountability, CIC and its subsidiary Crown corporations certify their internal controls over financial reporting. Crown sector CEO/CFO certification is similar to the certification policies implemented by the Canadian Securities Administrators for publicly listed companies. CIC ensures that the Crown sector follows best practices for publicly accountable companies.

Accountability & Transparency

CIC has developed a comprehensive performance assessment system applicable to each of its subsidiary Crown boards. Evaluations are conducted on a three-year cycle, with some aspects of performance evaluated annually. In 2021-22, all Crown boards conducted director peer evaluations. Evaluations are conducted by online surveys and follow-up interviews are done with individual directors where necessary to clarify responses. Each Crown board is responsible for developing an action plan to address the results of the performance evaluations.

Governance Rating

*"Overall governance index score of **95%** compared to the average score of **77%** for other organizations."*

In 2021-22, CIC implemented a new corporate governance evaluation process and instrument developed by Governance Solutions Inc. (GSI). Its purpose is to gauge the effectiveness of corporate governance in CIC's Crown corporations through a governance index. GSI conducted its independent assessment by reviewing each Crown's public disclosure documents, annual reports, corporate governance statements and information received directly from the Crowns. Each Crown's performance and governance practices were then benchmarked against those of selected leading comparator organizations in the public and private sectors in Canada (the "Index"). For 2021-22, CIC Crowns collectively achieved an overall governance index score of 95 per cent compared to the average score of 77 per cent for other organizations in the Index. This score indicates a high level of governance performance in Saskatchewan's Crown sector. Crown boards have consistently scored as high-performance organizations over the 20+ years that CIC has been conducting external assessments.

Board Professional Development

CIC is committed to providing the members of its subsidiary Crown boards with the education necessary to effectively discharge their responsibilities. CIC has sponsored governance training programs for members of the subsidiary Crown boards since 1998. From 2009 to 2016, CIC offered The Directors College Chartered Director Certification Program to board members, which led to a designation as a chartered director for those who completed all of the modules and passed the qualifying exam. In 2017, CIC partnered with the Institute of Corporate Directors (ICD) to enable eligible board members to take the ICD's Director Education Program and receive an ICD.D designation. The ICD program was offered again in Saskatchewan in 2021-22 and 10 Crown directors enrolled. CIC also sponsored two additional education opportunities available to all subsidiary Crown directors. The first session was in October 2021 entitled Exploring ESG and DEI[1] and the second session held in March 2022 looked at the Board's role in Strategy and Strategic Planning.

[1] Exploring ESG (Environmental, Social, Governance) and DEI (Diversity, Equity and Inclusion)

Diversity and Subsidiary Crown Corporation Board Appointments

The government remains committed to enhancing diversity and achieving gender equity on CIC subsidiary Crown boards of directors. As at March 31, 2022, Crown boards were comprised of 46 per cent female representation, with three boards having 50 per cent or more women. There was one female chair and four female vice chairs. Indigenous representation was 10 per cent in 2021-22. There were seven Indigenous board members, including one Indigenous board chair.

Enterprise Risk Management

CIC and its subsidiary Crown corporations follow the CIC subsidiary Enterprise Risk Management (ERM) Minimum Standards Policy which requires Crowns to meet or exceed corporate governance best practices and public sector accountability and transparency requirements. ERM involves:

- identifying risks and opportunities;
- analyzing and quantifying risk impact;
- assessing and prioritizing risks;
- establishing strategies for controlling risk and/or capitalizing on opportunities; and
- monitoring and reporting.

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

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

Risk tolerance is determined independently by Crown management and is considered and approved by the board of each Crown corporation. In assessing risk tolerance, consideration is mainly given to mandate, financial, legal/regulatory, reputational and operational impacts and likelihoods. In order to address overall risk tolerance limits, a risk assessment rating is established above which specific actions are required to be taken, thereby ensuring that the highest-ranked risks are sufficiently managed.

Each subsidiary Crown corporation demonstrates alignment of ERM results with strategic business planning through the annual performance management process. Performance management plans are approved by both the subsidiary Crown corporation board and the CIC Board. Progress against the plan is reviewed and approved by the subsidiary Crown corporation board and the CIC Board through quarterly reporting.

A detailed discussion of ERM results specific to each subsidiary Crown corporation is included in the respective Crown annual report that is released to the public. Summarized results are included in the subsidiary profiles on pages 46 to 61 in the Consolidated MD&A section of this report.

CIC's Risk Assessment Strategy

Successful execution of CIC's corporate strategy and achievement of the business plan requires an understanding of the associated risks within the environment in which the corporation operates. In order to understand risks associated with the corporation, CIC risk management staff work with senior management to identify business risks inherent to the corporation and establish what, if any, mitigating processes and controls exist to reduce the inherent risk.

After identification of risks and establishment of the controls and mitigating factors, risk registers are updated. The registers rank risks based on likelihood of occurrence and severity of the occurrence once mitigating controls or processes are taken into account. Once established, the executive determines the risk tolerance and decides whether to accept, further mitigate, transfer, or avoid the risk. This can lead to identification of opportunities and strategies to either close gaps or to reallocate resources from areas that are considered over mitigated. CIC reports annually to its Board on its ERM.

Risk Overview

CIC ranks the ten most significant risks on its risk register and has determined the following three risks are the most significant:

1. **Operational delays or loss of information as a result of cyber security breaches.**
   Businesses throughout the world have to address the rising risk of cyber security breaches that can cause operational delays or loss of information. To mitigate this risk, CIC has cybersecurity practices in place through partnerships with industry leading third-party experts. This includes continuous improvement through strategic initiatives and through the use of tabletop exercises, maturity assessments, and vulnerability assessments. In addition, CIC has a disaster recovery plan with offsite continuous back-up at a third-party IT service provider. CIC's third-party IT service provider regularly updates software, hardware and CIC's network.
2. **Inability of the Crown sector and CIC to achieve financial stability, sustainability and provide sufficient returns.**
   CIC provides dividends to the GRF. There is a risk that policy and financial decisions made by CIC and/or its subsidiary corporations could impact CIC's ability to provide dividends to the GRF. This risk is mitigated through the oversight, authorization and monitoring of subsidiary performance management and capital allocation plans, regular quarterly progress reporting and forecasting, policies governing 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 their performance management and resource management plan. Changes in the external environment and government direction could result in insufficient financial and human capacity. This risk is mitigated by incorporating the CSSP into annual performance management and capital allocation plans, which are approved by the CIC Board. CIC officials meet regularly with government, Crown board chairs and Crown officials to ensure direction from government is well understood and implemented.

Promoting Best Practices in Crown Sector Disclosure

Reporting & Disclosure Review

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

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

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

Policy & Programming on Behalf of the Shareholder

CIC's role includes centralized administration of select government programs.

- INROADS summer student program provides mentorship, support and career counselling for Indigenous post secondary students.
- Indigenous Bursary Program provides financial assistance to Indigenous post-secondary students to support building a skilled and inclusive labour force.
- Indigenous Cultural Awareness Program provides training for Crown employees covering Indigenous history, reconciliation and relationship-building techniques.
- CIC is the plan sponsor of the Capital Pension Plan, a registered pension plan that includes private and public members.

Saskatchewan Rate Review Panel

The Saskatchewan Rate Review Panel (Panel) advises the Government of Saskatchewan on rate applications proposed by SaskEnergy, SaskPower and the Saskatchewan Auto Fund. The Panel reviews each rate application and provides an independent public report on its assessment about the fairness and reasonableness of the rate change, with consideration for the interests of the Crown corporation, its customers and the public, consistency with the Crown corporation's mandate, relevant industry practices and principles, and competitiveness relative to other jurisdictions. The provincial Cabinet makes the final decision on rate change requests. CIC acts as a liaison between the Panel and the government as required. In this role, CIC may provide the Panel with assistance, guidance and oversight to fulfill its mandate. The Panel members during 2021-22 were:

- Albert Johnston, Chair
- Duane Hayunga, Vice Chair
- Delaine Barber, Vice Chair *(term ended December 22, 2021)*
- Glenn Dutchak, Member
- Bonnie Guillou, Member
- Kim Hartl, Member
- Sidney Katzman, Member *(term started December 22, 2021)*
- Keith Moen, Member

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

Achieving a Balanced Approach to Shareholder Return

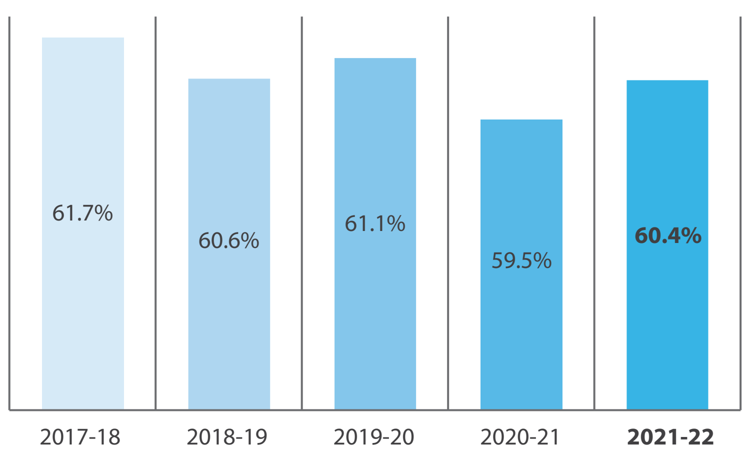
CIC is focused on providing a reasonable return to the Province. This priority must be balanced with its public policy initiatives, reinvestment in sustaining infrastructure, and providing high quality public services for the lowest possible cost.

CIC monitors the financial performance of the CIC Crown sector to ensure that financial targets are achieved and that the financial sustainability of the CIC Crown sector is maintained for the future. This includes:

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

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

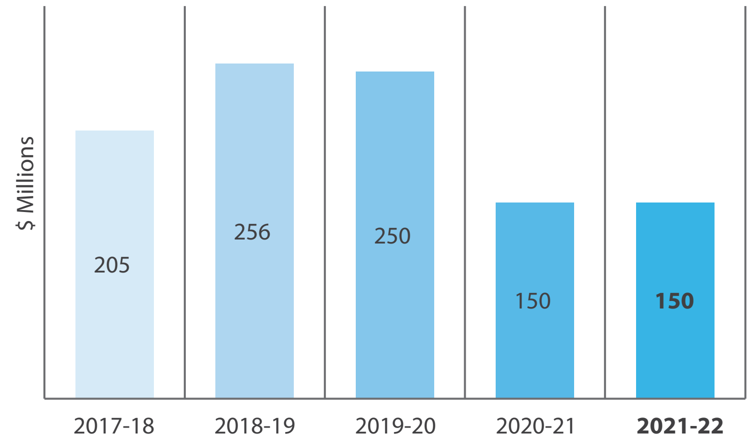
Consolidated Debt Ratio



CIC continues to prioritize maintaining sustainable debt levels while re-investing in infrastructure, as well as providing a return to the Shareholder. During 2021-22, CIC's allocation of financial resources included the following:

- support of public policy initiatives;
- an equity injection of $11.7 million into SGC to support ongoing costs during the period its operations were suspended due to the pandemic;
- declaration and payment of dividends to the GRF of $150 million;
- an equity repayment to the GRF of $177 million; and
- authorizing capital spending plans of subsidiary Crown corporations that resulted in capital expenditures of $1.6 billion to meet reinvestment requirements.

Dividends to GRF



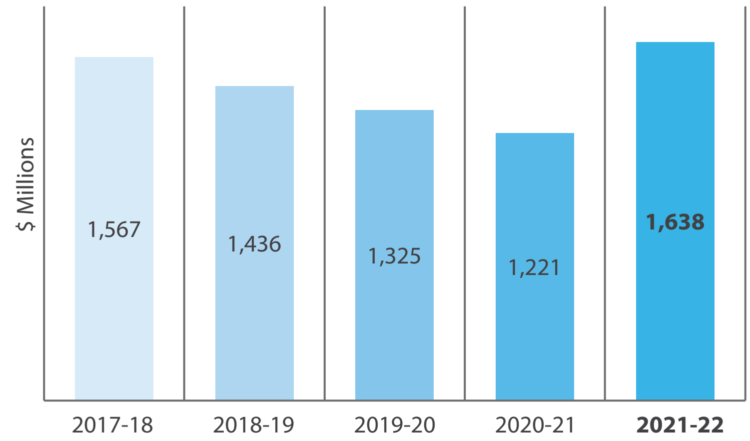
Managing Capital Resources

CIC has a diverse range of holdings. A key priority for CIC is to manage the capital resources employed within the consolidated group of entities to optimize value in the Crown sector and provide a return to the GRF.

CIC manages this priority through its capital allocation framework, which is based on two integrated policies: the CIC Subsidiary Dividend Policy and the CIC Dividend Policy. These policies are based on the principle that there are three potential uses for cash flows:

- **Reinvestment** – to sustain infrastructure and operations, to grow and diversify revenues, and support public policy initiatives and economic development;
- **Debt reduction** – to support financial flexibility; and
- **Dividends to the holding company** – to be used in accordance with the CIC Subsidiary Dividend Policy.

Capital Expenditures



An additional potential use for cash flow is **equity repayments**. Equity repayments are a return of the government's investment in the Crowns. Unlike dividends, they occur infrequently, generally following asset sales or during times of stable or lower capital needs. These payments are used to support public policy needs. Crowns do not have share capital structures, and when Crowns were established, cash injections (called equity advances) were provided through CIC. Equity advances were also provided to the Crowns to support capital investment.

CIC Subsidiary Dividend Policy

The CIC Subsidiary Dividend Policy focuses on managing capital resources to support the investment needs and business viability of the various business segments over the medium term. The policy ensures that the investments provide a return to Saskatchewan residents to support programs paid for from the GRF. Each commercial Crown's ability to pay dividends is determined after the CIC Board allocates a portion of cash profits to reinvestment and debt reduction, if required. The CIC Board has approved debt and capital structure targets for CIC's subsidiaries based on industry benchmarks. Therefore, for subsidiaries that pay dividends, the amount paid is determined in relation to the target capital structure compared to the actual capital structure.

Capital Structures of Subsidiary Corporations

The following table summarizes the target capital structure of CIC's subsidiary corporations that declared dividends to CIC in 2021-22. Capital structure targets are based on industry benchmarks where possible and are approved by the CIC Board.

	Capital Structure Measure	Capital Structure Target	2021-22 Actual Capital Structure	2021-22 Dividend Payout Rate[1]
SaskPower	Debt Ratio	60.0% - 75.0%	71.9%	30%
SaskTel	Debt Ratio	≤55.0%	54.6%	90%
SaskEnergy	Debt Ratio	58.0% - 63.0%	59.0%	35%
SGI CANADA	Minimum Capital Test[2]	242.0%	242.0%	N/A
SGC	Debt Ratio	35.0%	5.3%	-%[3]
SOCO	Debt Ratio	60.0%	21.4%	90%
SaskWater	Debt Ratio	60.0%	49.0%	75%

[1] Dividend payout rates are approved by the CIC Board annually. While payout rates are typically based on a percentage of earnings from operations, various factors may lead to an amount being set on an alternative basis. Where a percentage payout has not been established ("N/A"), the CIC Board has approved a specific dollar amount. In 2021-22, the SGI CANADA dividend was set to align with the minimum capital test (MCT) target.

[2] The Minimum Capital Test (MCT) is a capital adequacy test widely used in the insurance industry and indicates capital available to pay claims compared to capital required.

[3] On the advice of Saskatchewan Health Authority and the Chief Medical Health Officer, SGC suspended operations from March 16, 2020 to July 9, 2020 and again on December 19, 2020 until June 20, 2021. As a result of the casino closures, SGC required an equity injection to support ongoing costs so no dividends were paid to CIC.

CIC Dividend Policy

Cash paid by subsidiary Crown corporations is used by CIC for reinvestment and dividends to the GRF. CIC, as the holding company, does not have any debt. As well, CIC uses cash from Crown dividends to support operations and public policy initiatives.

In 2021-22, CIC provided a $177 million equity repayment to the GRF and allocated $162.1 million of capital per the CIC Dividend Policy as follows:

Reinvestment and Public Policy Expenditures:

- $40,000 to INROADS;
- $310,000 to the Indigenous Bursary Program; and
- $11.7 million to SGC.

Debt Reduction:

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

Dividend:

- GRF dividend of $150.0 million.

CIC's ability to pay dividends to the GRF depends mainly on the level of Crown dividends paid to CIC, less CIC's reinvestment back into the Crown sector, grants for public policy programs and operating costs (see page 128 in the CIC Separate MD&A section of this report for more detail on CIC's operating costs). Crown dividend levels depend on earnings and capital structure. In addition to cash constraints, CIC's ability to declare dividends to the GRF depends on its retained earnings (a company's retained earnings are the aggregate amount of undistributed earnings since its inception). CIC's earnings, and hence dividend capacity outlook, are sensitive to adverse developments in its operating expenditures and Crown earnings forecasts.

Liquidity

CIC and its subsidiary Crown corporations borrow from the GRF, which in turn, borrows in the capital markets. With strong credit ratings, the GRF has ample access to capital for anticipated borrowing requirements.

Province of Saskatchewan Credit Ratings (as at March 31, 2022)

Moody's Investor Service (Moody's)	Aa1
Standard & Poor's (S&P)	AA
Dominion Bond Rating Service (DBRS)	AA (low)

There are three credit rating agencies in Canada that evaluate and rate the credit worthiness of the Province's sovereign debt. Credit worthiness affects the interest rate at which the Province, including the CIC Crown sector, can borrow. As the credit ratings improve, the interest rates at which the Province can borrow decrease; thereby, reducing the cost of borrowing.

Enhancing Accountability

CIC continues to advance its financial reporting practices in support of transparency and accountability. Examples of current practices to facilitate accountability include:

- quarterly reports for CIC (Consolidated and Separate) and its subsidiary Crown corporations, available to the public via CIC and Crown corporation websites;
- quarterly reporting on CIC and subsidiary Crown corporation performance, provided to the CIC Board;
- disclosure of budget information in the government's budget and estimates;
- detailed disclosure of CIC and its subsidiary Crowns' payments via Payee Disclosure Reports on CIC's website;
- a comparison of results to business plan targets, within CIC's and each subsidiary Crown corporation's annual report;
- providing internal audit and legal services to certain subsidiary Crown corporations;
- requiring CEO/CFO certification of internal controls over financial reporting;
- ensuring appropriate and consistent risk management frameworks for all CIC subsidiary Crown corporations; and
- CIC continuously evaluates new standards and leading practices for financial reporting and corporate governance.

CIC's financial reports are available on CIC's website at **www.cicorp.sk.ca**.

Corporate Social Responsibility

CIC is committed to giving back to the community and the people of Saskatchewan. CIC's Corporate Sponsorship Policy supports organizations, events, programs, activities and projects across Saskatchewan that:

- align with CIC's business, policies, programs and/or services;
- support education, emerging health or social needs, or cultural education and reconciliation; and/or
- support programs aimed at bettering life opportunities for disadvantaged people, children and youth, Indigenous people, visible minorities or women in non-traditional roles.

Despite continued impacts resulting from the pandemic in 2021-22, CIC provided approximately $450,000 in direct sponsorship to support organizations across the province.

In addition to direct sponsorships, CIC continued to fund the Indigenous Bursary Program. CIC remains committed to its community and will continue to support opportunities that enable a high quality of life for Saskatchewan people. In 2017, CIC and the four large subsidiary Crowns continued their commitment to STARS Saskatchewan for $2 million per year, totaling $20 million from 2012-2022.

CIC provided sponsorship to assist Caring Hearts provide counselling and education programs for families and agencies to support those struggling to cope with grief and loss. Caring Hearts also works with the provincial and federal governments in support of Missing Persons and Missing and Murdered Indigenous Women and Girls in Saskatchewan. This photo was taken at a Caring Hearts fundraising event in 2021.

Crown Social Responsibility

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

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

Environmental Sustainability

In 2021-22, CIC's Eco-Impact Team continued efforts to reduce individual environmental footprints and encourage corporate environmental leadership. This initiative, led by CIC staff volunteers, experienced continued challenges with recurring periods of moving between the office and working remotely throughout the year due to the COVID-19 pandemic. The Eco-Impact Team continued to encourage staff with digital posts on the corporate intranet to do their part for the planet while at home, including using green and garden spaces effectively, reducing the use of plastics and chemicals, reconsidering consumption of certain goods and services, re-using and re-purposing wherever possible, and recycling and composting to reduce landfill usage.

On a provincial scale, the Crown sector is committed to the government's environmental goals as outlined in *Saskatchewan's Growth Plan: The Next Decade of Growth* and in *Prairie Resilience: A Made-in-Saskatchewan Climate Change Strategy*. To reinforce this commitment, the CSSP directs the Crown sector to focus on Saskatchewan's environmental commitments by reducing emissions and developing strategies to mitigate the effects of climate change. This will happen by delivering on Saskatchewan's climate change plan to reduce carbon emissions and advancing the development of zero-emission small modular nuclear reactor technology. Where subsidiary Crown corporation operations have a large impact on the environment, particularly through greenhouse gas emissions, CIC Board-approved targets for emissions reductions are included on respective Crown balanced scorecards.

Corporate Performance

2021-22 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 2021-22 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 2021-22 are for the twelve-month period ended March 31, 2022.

Shareholder

- Ensure the subsidiary Crowns' strategic plans reflect the priorities and policies of the Shareholder.
- Ensure the Shareholder is provided with quality information and analysis to make decisions affecting the Crown sector.

Leadership & Policy

- Provide high quality advice to the Crown sector.
- Identify, develop and promote best practices in management of the Crown sector.
- Implement and manage programs to align with Shareholder priorities.

Financial

- Monitor the financial performance of the Crown sector.
- Balance the relative priorities of investing in infrastructure, providing an appropriate return to the people of Saskatchewan, and protecting the financial flexibility of CIC and the Crown sector.

Internal Operations

- Ensure CIC is effectively structured to support the achievement of CIC's corporate priorities.
- Achieve an engaged and enabled workforce.
- Demonstrate accountability and strong leadership throughout CIC.

Statement of Reliability

I, Kent Campbell, President and Chief Executive Officer of Crown Investments Corporation of Saskatchewan, and I, Cindy Ogilvie, Senior 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, 2022.

Kent Campbell, CPA, CMA
President & CEO

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

Shareholder

Balanced Scorecard

Performance Measure		2020-21 Results	2021-22 Target	2021-22 Results	2022-23 Target
S1	Providing expertise and guidance to support the Shareholder – assessment by CIC Board	Survey refresh substantially complete	Establish new benchmark	Developing new performance measures	N/A[1]
S2	Providing expertise and guidance to support the Shareholder – assessment by CIC Board	Survey refresh substantially complete	Establish new benchmark	Developing new performance measures	N/A[1]
S3	Providing Shareholder direction to the Crown sector – assessment by Crown Boards	Survey refresh substantially complete	Establish new benchmark	Developing new performance measures	N/A[1]
S4	Stakeholder Satisfaction	N/A	N/A	N/A	Establish new measure(s)

[1] Rationale for each N/A is in the 2021-22 Performance Discussion below.

Performance Indicator Key:

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

2021-22 Performance Discussion

To maintain and improve the value it provides its stakeholders, CIC undertakes an annual stakeholder feedback process. The key strategic stakeholder groups for CIC include the CIC Board, subsidiary Crown Boards, and subsidiary Crown executives.

In 2021-22, CIC completed a refresh of its three stakeholder surveys. The primary objective of the refresh was to enhance the quality of information received, thereby enhancing CIC's ability to put actions in place to address the feedback. The new stakeholder surveys assess CIC's performance in providing strategic consulting and advice, governance, communication, and overall effectiveness.

CIC's 2021-22 balanced scorecard contained five performance measures linked to stakeholder surveys, all of which targeted establishing new benchmarks following the survey refresh. However, the refresh resulted in new questions and a new rating scale that does not align with the methodology for the existing performance measures; therefore, new benchmarks could not be established. In 2022-23, CIC will establish measures that accommodate the revised questions and rating scale and, in the interim, the five existing stakeholder performance measures have been replaced with a single measure committing CIC to complete this work.

Though the work to develop new key performance measures is still in progress, CIC did conduct the new surveys in 2021-22 and overall satisfaction scores are available. The CIC Board survey results were strong, with an overall satisfaction score of 8.8 out of 10. CIC scored highest in having knowledgeable staff, providing timely and frequent communication, and listening to the Board's needs. The CIC Board encouraged CIC to focus improvement on areas that drive corporate excellence in the sector and on being an effective conduit with Executive Government for information-sharing and awareness-building. It also requested that CIC provide more frequent and specific board training opportunities.

Crown Board survey results were also strong in 2021-22 with an overall satisfaction score of 8.3 out of 10. The strongest scores were in relation to board governance, which includes the provision of corporate secretarial services and training, as well as advising the boards on best practices. The Boards indicated improvement could be achieved through increased communication, including more channels and frequent opportunities to engage in dialogue with CIC and share information.

Leadership & Policy

Balanced Scorecard

Performance Measure		2020-21 Results	2021-22 Target	2021-22 Results	2022-23 Target
LP1	Crown sector efficiency – EBITDA/Revenue[1]	● 36.0%	28.5%	● 29.0%	27.9%
LP2	Collaboration	N/A	$50.0M	● $48.9M	N/A[2]
		N/A	N/A	N/A	100% of three weighted components
LP3	Oversight of public policy programs	● 75%	Achieve 100% of program deliverables	● 78%	Achieve 100% of program deliverables
LP4	Providing an effective performance management process to the Crown sector – assessment by Crown executives	● Survey refresh substantially complete	Establish new benchmark	● Developing new performance measures	N/A[2]
LP5	Providing policy and procedural advice and support to the Crown sector – assessment by Crown executives	● Survey refresh substantially complete	Establish new benchmark	● Developing new performance measures	N/A[2]
LP6	Governance rating	● Non-reporting year	To be determined[2]	● 95%	Non-reporting year of a three-year cycle
LP7	Reporting and disclosure rating of Crown sector Annual Reports	● Non-reporting year	To be determined[2]	● Non-reporting year	N/A[2]

[1] EBITDA/Revenue = earnings before interest, taxes, depreciation, and amortization/total revenue.

[2] Rationale for targets not being determined or marked as N/A is in the 2021-22 Performance Discussion below.

Performance Indicator Key:

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

2021-22 Performance Discussion

CIC Crowns operate in a challenging environment including economic and competitive pressures that contribute to a focus on efficiency and collaboration. In 2021-22, the Crowns continued to focus on managing controllable costs while ensuring resources remain available for investment in growth opportunities. These efforts contributed to the consolidated EBITDA/revenue result of 29.0 per cent, which was 0.5 percentage points above target. The 2022-23 target is lower than past results, reflecting lower than expected earnings due to the continued recovery from the negative economic conditions of 2020-21 (e.g., COVID-19 pandemic and low oil prices). A detailed discussion of financial performance is provided in the Consolidated Management Discussion and Analysis (MD&A) beginning on page 35.

Significant effort has been put into identifying and acting on opportunities for the Crowns to collaborate with each other and to work with executive government. In 2021-22, CIC and each Crown corporation added a collaboration metric to their balanced scorecards with a shared target and result. Aligning the sector's efforts to a common goal emphasized the importance of working as one-team to realize cost savings and improve customer experiences. Through these efforts, $48.9 million in cost savings were achieved, very near the $50.0 million target. The sector, along with other government ministries and agencies, advanced over 50 initiatives that contributed to these savings. The largest contributing initiatives to the annual savings were joint line locating and joint infrastructure installation. For 2022-23, the collaboration measure has been expanded from a single cost savings component to a three-part weighted index that includes: $55.0 million in cost savings; implementation of eight new customer service enhancements and/or red tape reduction initiatives; and, securing through collaboration $1.0 billion in new private sector investments in Saskatchewan. This expanded metric aims to capture the broader benefits of collaboration.

Leadership & Policy *(continued)*

In 2021-22, CIC also oversaw three public policy programs, two of which met expectations and one that did not, resulting in 78 per cent of overall program deliverables being achieved. While 72 Indigenous bursaries were awarded (70 targeted) and all four planned Indigenous Cultural Awareness Training programs were offered, the INROADS (internship) program experienced low uptake. The related contract with the INROADS program expired on Dec 31, 2021 and, due to the low uptake, the program is being reviewed and new opportunities are being considered to build and enhance efforts to provide employment opportunities, mentoring and Crown corporation experience.

As discussed in the Shareholder section of CIC's balanced scorecard on page 20, CIC will be developing new stakeholder feedback measures in 2022-23. In the interim, Crown Executive survey results in 2021-22 provided an overall satisfaction score of 6.7 out of 10. The primary area identified for improvement are enhanced communication, including a continued focus on listening and understanding Crown executive perspectives, and providing opportunities to discuss and better understand feedback received from CIC.

In support of CIC's efforts to uphold best practice standards in the Crown sector, Governance Solutions Inc. (GSI) was procured to develop a new Crown governance performance framework as the Conference Board of Canada (CBoC) discontinued this line of service. In 2022, GSI assessed the Crown sector at an overall aggregate score of 95 per cent, notably better than comparator organizations' average of 77 per cent. The sector's strength relative to comparators was most notable in risk direction and resource control. As the new assessment results were reported late in the year, a target for 2021-22 was not set and the result forms a benchmark to support setting future targets.

Similar to the governance assessment, the CBoC discontinued its service that benchmarked CIC and its subsidiary Crowns' Annual Report disclosure practices against best and leading practices in Canada. CIC is considering alternate benchmarking methods. In the interim, the two related measures have been removed from CIC's balanced scorecard (the second metric is in Internal Operations on page 24). The absence of this assessment has not impacted CIC's commitment to best practice reporting and disclosure in Canada. In 2021-22, CIC also established an internal environmental, social and governance (ESG) working committee which will be establishing guidance on ESG reporting by the sector and coordinated ESG-related training for Crown boards, Crown CFOs, and CIC staff.

The Hill JDC West team are consistently strong competitors in the annual business competition. This year they placed: Debate – 1st Place; Charitable Volunteer Hours – 1st Place; Charitable Fundraising – 2nd Place; Accounting – 2nd Place; Sport – 2nd Place; and 3rd Place finishes in Marketing; Not-for-Profit; and Social. CIC supports the Hill JDC West team and congratulates them on their success.

Financial

Balanced Scorecard

Performance Measure		2020-21 Results	2021-22 Target	2021-22 Results	2022-23 Target
F1	CIC dividend and equity repayments to the General Revenue Fund	● $150.0M	$350.0M	● $327.0M	$236.5M
F2	Consolidated return on equity (ROE) target	● 9.7%	3.6%	● 5.7%	3.9%
F3	Consolidated debt ratio	● 59.5%	61.8%	● 60.4%	61.7%

Performance Indicator Key:

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

2021-22 Performance Discussion

CIC measures and monitors the Crown sector's financial health to ensure sufficient financial capacity to provide the infrastructure and high-quality services that Saskatchewan people demand. These elements are present in the CSSP. A detailed discussion of financial performance is provided in the Consolidated MD&A beginning on page 35, with a summary overview provided below.

Crown sector consolidated earnings were $361.0 million, which is $145.7 million higher than budget, resulting in an ROE of 5.7 per cent. The increase in ROE was primarily due to increased earnings at SaskEnergy driven by a rise in natural gas prices that created an unrealized gain on outstanding natural gas purchase and sale contracts that must be marked-to-market prices. SaskEnergy also experienced a gain from the resolution of the outstanding SaskEnergy Place litigation which settled in SaskEnergy's favour. Results at SGI CANADA also increased with higher than expected premium volumes and lower auto claims with people being off the road during the COVID-19 pandemic.

CIC's dividend to the General Revenue Fund (GRF) of $150.0 million was on target. Strong earnings in the sector provided the capacity for this payment. CIC also made a $177.0 million equity repayment which was below the target of $200.0 million. Reinvestment, particularly at SaskTel and SaskPower, to maintain safe and high-quality services was prioritized over meeting this repayment target.

Continued demand for Crown services, combined with rapidly changing technology and aging infrastructure required borrowing to fund the Crown corporations' capital programs. The consolidated debt ratio finished the year better than target at 60.4 per cent. This was primarily driven by lower opening debt balances where customer-driven capital spending deferrals and strong cash flows from 2020-21 carried over, strong cash flows from higher earnings in 2021-22 and CIC reducing its equity repayment so that capital could be reinvested in the sector. Crown debt ratios are comparable to industry levels and are monitored to ensure sustainability.

Internal Operations

Balanced Scorecard

Performance Measure		2020-21 Results	2021-22 Target	2021-22 Results	2022-23 Target
IO1	Meet financial and performance reporting requirements	● Quarterly and annual reports released on time	Quarterly and annual reports released on time	● Quarterly and annual reports released on time	Quarterly and annual reports released on time
IO2	Reporting and disclosure rating of CIC's Annual Report	● Non-reporting year	To be determined	● Non-reporting year	N/A[1]
IO3	CIC operating expenditures	● 11.2% below budget	Within budget	● 8.8% below budget	Within budget
IO4	Employee engagement	● 105% of the TalentMap North American norm	Non-reporting year of a two-year cycle	● Non-reporting year of a two-year cycle	≥ TalentMap North American norm
IO5	Employee enablement	● 115% of the TalentMap North American norm	Non-reporting year of a two-year cycle	● Non-reporting year of a two-year cycle	≥ TalentMap North American norm

[1] Rationale for this N/A is in the 2021-22 Performance Discussion below.

Performance Indicator Key:

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

2021-22 Performance Discussion

CIC's internal operations performance metrics aim to achieve accountability to the public, effective use of CIC's financial resources, and an engaged and enabled staff.

CIC releases various reports throughout the year to uphold accountability and transparency with the public. The release of financial and performance reporting is governed by policy, and in some cases, such as CIC's Annual Report, by legislation. In 2021-22, CIC provided quarterly reports on losses to the Standing Committee on Crown and Central Agencies, tabled the CIC Annual Report on July 8, 2021, and submitted the 2020-21 Payee Disclosure Report to the Standing Committee on Crown and Central Agencies and released it to the public in August 2021. All quarterly financial reports were approved by the CIC Board and posted to CIC's website within 75 days of quarter-end.

As discussed in the Leadership & Policy section of CIC's balanced scorecard on page 22, the reporting and disclosure rating of CIC's Annual Report has been removed in 2022-23 pending the outcome of CIC investigating an alternate benchmarking approach. In the last CBoC review, conducted in 2018-19, CIC achieved a rating of "A" on its 2017-18 Annual Report. This high score demonstrated strong accountability and transparency, and the practices that underpinned that rating have been maintained.

CIC's operating expenditures were 8.8 per cent, or $1.2 million, below budget in 2021-22. The reduction was driven primarily by the deferral of certain projects and strategic initiatives as priorities and workloads shifted, savings in staff travel and training costs with the increased availability of virtual professional development opportunities, less Crown board training for new board members due to less turnover, and lower salary costs due to new staff starting at lower base pay than their predecessors.

CIC conducts its employee survey on a two-year cycle, with 2021-22 being a non-reporting year. Strong scores in 2020-21 indicated CIC's workforce was engaged and enabled. Since this survey, CIC has focused efforts on clearly defining its organizational vision, as well as on encouraging teamwork and innovation. The outcome of this effort will be assessed through the employee survey being conducted in Fall 2022.

Rationale for Selection of Performance Measures

PM Code	Rationale for Selection of Performance Measures (PM)
S1-4, LP4-5	Provides for direct assessment by key stakeholders on the performance of CIC in achieving mutual goals and executing shared processes. The surveys are administered by an independent agency to ensure confidential disclosure and unbiased interpretation of results.
LP1	To monitor Crown progress towards achieving government's priority on efficiency. Measures the efficiency of revenues in generating profit in the Crown sector.
LP2	Indicates the benefits achieved within the Crown sector and by participating Treasury Board Crowns, agencies and ministries by working together.
LP3	Focuses on CIC's role in the leadership and oversight of public policy programs, aligning with Shareholder priorities.
LP6	Benchmarking Crown sector governance to industry standards or best practices by an independent third party.
LP7, IO2	Benchmarking Crown sector reporting and disclosure to industry standards or best practices by an independent third party.
F1	Provide an appropriate return to the Shareholder in an amount directed by the Shareholder.
F2	Indicates the level of profitability across the Crown sector by measuring Crown sector returns as a percentage of the average equity in the Crown sector. Although the measure cannot be benchmarked to industry on a consolidated basis, results can be compared year over year.
F3	Indicates the level of financial flexibility in the Crown sector by measuring Crown sector debt as a percentage of capital (debt plus equity) in the Crown sector. Higher ratios indicate increased debt burden which may impair the Crown sector's ability to withstand downturns in revenues and still meet fixed payment obligations. Although the measure cannot be benchmarked to industry on a consolidated basis, results can be compared year over year.
IO1	Ensures accountability and transparency of financial and performance results. Release of financial and performance reporting is governed by policy, and in some cases, such as CIC's Annual Report, by legislation.
IO3	CIC is given the authority to make expenditures within the operating budget as approved annually by the CIC Board.
IO4	CIC employee engagement is benchmarked against other corporate entities and is monitored through surveys conducted by an independent third party.
IO5	CIC employee enablement is benchmarked against other corporate entities and is monitored through surveys conducted by an independent third party.

During 2021-22, CIC sponsored enactus, U of S to host Build-A-Business, an inclusive and accessable entrepreneurial workshop. Build-A-Business focuses on providing entrepreneurship learning opportunities through five workshops: Marketing; Tax/Legal; Budgeting; How to Get Start-Up Money; and How to Create Graphic Designs.

enactus
University of Saskatchewan

Organizational Overview

SaskEnergy Service Technicians provide safe and reliable natural gas to customers throughout the province. They provide a variety of services including safety checks and inspections.

SaskEnergy

Governance

Board of Directors

The CIC Board of Directors consists of elected government officials appointed by the Lieutenant Governor in Council pursuant to *The Crown Corporations Act, 1993*. The Board makes decisions in its own right, provides advice and recommendations to the provincial Cabinet, and functions as a key committee to Cabinet.

The CIC Board oversees the strategic direction and risk management of the CIC Crown sector. In 2021-22, the government's strategic vision focused on operating as one-team with a commitment to economic response and recovery support; continued Crown collaboration; best-value procurement and Indigenous engagement; and aligning initiatives to support economic growth for the province. The Board's key responsibility is to ensure that all direction provided to the Crown sector is aligned with the government's vision.

Board Responsibilities

The CIC Board is committed to the government's vision and to ensuring alignment of the CIC Crown sector through the following activities:

- setting strategic priorities for the Crown sector;
- overseeing and ensuring that risks are properly managed and appropriate authorities and controls are in place;
- providing strategic oversight to subsidiary Crown corporations by reviewing annual business plans, setting performance expectations, allocating capital within the sector, as well as monitoring and evaluating performance; and
- providing oversight in setting corporate strategic direction, identifying risks and opportunities, developing 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. 30) that applies to the executives of CIC and all subsidiary Crown corporations. The Board Chair provides oversight of and evaluates the annual performance of the CIC CEO.
- The CIC Board reviews and approves CIC's financial statements and meets with external auditors and the Provincial Auditor without management present.

In 2021-22, a Power Generation sub-committee was established, consisting of select CIC Board members, the Minister of Environment and CIC's President & CEO. The purpose of the sub-committee is to canvass issues related to power generation and return to the CIC Board for strategic discussions about the direction the Government of Saskatchewan could go in relation to power generation in the Province. The committee members during 2021-22 were:

- Honourable Don Morgan, Q.C., Chair
- Honourable James Reiter, Vice-Chair
- Honourable Dustin Duncan, Member
- Honourable Warren Kaeding, Member, Minister of Environment
- Kent Campbell, Member

Board Appointments & Renewal

The appointment and removal of members of the CIC Board, as well as the designation of the Chair and Vice Chair, are the prerogative of the Lieutenant Governor in Council. The Minister of Crown Investments Corporation must be a member of the CIC Board and is appointed as the CIC Board Chair. Pursuant to *The Crown Corporations Act, 1993*, members hold office for a term not greater than three years or until a successor is appointed. Member appointments can be renewed at expiry. There were seven members on the CIC Board as at March 31, 2022. The Board members are non-independent directors.

CIC Board Members

Honourable
Don Morgan, Q.C.

Honourable
Jim Reiter

Honourable Don Morgan, Q.C.

Chair – Nov 9, 2020 to Mar 31, 2022 | Member – Feb 2, 2018 to Nov 9, 2020

Minister of Crown Investments Corporation
Minister of Labour Relations and Workplace Safety
Minister Responsible for Saskatchewan Workers' Compensation Board
Minister Responsible for SaskEnergy, SGI, SaskPower, SaskTel, SaskGaming, SaskWater and SOCO[1]

Mr. Morgan was first elected in 2003 as the MLA for Saskatoon Southeast constituency. He was re-elected in the 2007, 2011, 2016 and 2020 provincial elections. During his term in opposition, Mr. Morgan served as critic for Justice, deputy critic for First Nations and Métis Relations, Opposition Deputy House Leader, and sat on the legislature's Standing Committee on Private Bills.

Since the 2007 provincial election, Mr. Morgan has served the province as Minister of Justice and Attorney General, Minister of Education and Minister of Advanced Education. He currently serves as Minister of Crown Investments Corporation and Minister Responsible for SaskEnergy, SGI, SaskPower, SaskTel, SaskGaming, SaskWater and SOCO. He is also Minister of Labour Relations and Workplace Safety, and Minister Responsible for the Workers' Compensation Board. He also serves as Chair of the caucus Legislation and Regulation Review Committee.

Mr. Morgan practiced law in Saskatoon from 1979 to 1988 and 1992 until 2007. From 1988 to 1992 he was Chair and CEO of the Saskatchewan Legal Aid Commission and was appointed Queen's Counsel in 1990. Mr. Morgan served on the Saskatoon Public School Board from 1999 to 2003, including a term as Board Chair. He was Board Chair of the Mendel Art Gallery, as well as volunteering with numerous other charitable organizations.

[1] On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022.

Honourable Jim Reiter, Vice-Chair

Vice Chair – Nov 9, 2020 to Mar 31, 2022

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

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

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

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

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

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

Honourable Dustin Duncan

Member – Nov 9, 2020 to Mar 31, 2022 | Vice Chair – Aug 23, 2016 to Nov 9, 2020

Minister of Education

Mr. Duncan was first elected as the MLA for Weyburn-Big Muddy constituency in a by-election in June 2006. He was re-elected in the 2007, 2011, 2016 and 2020 provincial elections.

On November 9, 2020, Premier Scott Moe appointed Mr. Duncan as the Minister of Education.

Previously, he served as Minister of Environment, Minister Responsible for SaskPower, Minister of Energy and Resources, Minister of Health, Minister Responsible for SaskEnergy, Minister Responsible for SaskWater, Minister Responsible for the Global Transportation Hub, and Minister Responsible for the Saskatchewan Water Security Agency. He was first appointed to Cabinet in May 2009 as Minister of Tourism, Parks, Culture and Sport.

Honourable
Dustin Duncan

Honourable
Lyle Stewart

Honourable
Joe Hargrave

Doug Steele

David Buckingham

Honourable Lyle Stewart

Member – Aug 13, 2019 to Mar 31, 2022

Provincial Secretary

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

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

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

Honourable Joe Hargrave

Member – Nov 9, 2020 to Mar 31, 2022 | Chair – Aug 23, 2016 to Nov 9, 2020

Mr. Hargrave was first elected to the Saskatchewan Legislature in 2016 in the constituency of Prince Albert Carlton and was re-elected in 2020.

Mr. Hargrave has previously served as Minister of Highways, Minister Responsible for Saskatchewan Water Security Agency, Minister Responsible for SaskEnergy and SaskTel, Vice-Chair of the SaskBuilds Corporation Board, and Vice-Chair of Public Sector Bargaining. He was also Minister of Crown Investments, Minister Responsible for SGI, Minister Responsible for SOCO and Chair of the CIC Board.

Mr. Hargrave was an owner/operator of Riverside Dodge and Riverside Hyundai. He was also a manager with the Bank of Montreal for 20 years. His community involvement in Prince Albert has included the Rotary Club, Board of Police Commissioners, Prince Albert Community Futures, Chamber of Commerce, Victoria Hospital Foundation, Economic Development Board, the Hyundai National Council, as well as the Chrysler DAA Board.

Doug Steele

Member – Nov 9, 2020 to Mar 31, 2022

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

Mr. Steele worked in the grain industry for many years and served on numerous committees in southwest Saskatchewan.

David Buckingham

Member – Nov 9, 2020 to Mar 31, 2022

Mr. Buckingham was first elected MLA for Saskatoon Westview in the April 2016 provincial election and was re-elected in 2020. He is the government caucus Chair. Currently Mr. Buckingham serves as Legislative Secretary to the Minister Responsible for SaskTel and SGI. He was previously the Legislative Secretary to the Minister of Immigration and Career Training and served as the Chair of the Standing Committee on the Economy. Mr. Buckingham has successfully completed his Fellowship with the Bowhay Institute of Legislative Leadership and received a diploma from the University of Idaho for completing the "Legislative Energy Horizon Institute – Energy Policy Planning Program". Mr. Buckingham is an active volunteer in his community serving as volunteer firefighter he co-founded the Highway 16 Fire Commission, a group that was formed to regionalize and provide better training for volunteer firefighters in rural communities.

During 2021-22, a total of 27 meetings were held by the CIC Board. The Board members are provided with meeting material in advance. As a standing agenda item, the Board has the option to hold in-camera sessions without management present where all CIC Board members can participate. Board members do not receive remuneration (retainers or per diems) for their participation on the CIC Board.

Effective May 31, 2022, CIC Board membership changed in response to a Government of Saskatchewan cabinet shuffle. Terms for the Honourable Jim Reiter and Honourable Lyle Stewart ended and the Honourable Lori Carr was added and appointed Vice Chair, and Mr. Derek Myers was added.

Organizational Structure

Operating Divisions

CIC's team included 46 positions as at March 31, 2022 within three divisions. Each division's responsibilities are summarized below:

President's Office • President • Crown Sector Initiatives • Communications • Human Resources • Strategic Policy & Stakeholder Engagement	The President's Office is responsible for the overall direction of CIC and leadership of the Crown sector. Specifically, the division: • undertakes strategic initiatives related to the Crown sector; • provides leadership and support in Crown sector communications; • facilitates internal communications at CIC; • delivers human resource support and leadership at CIC; and • oversees public policy initiatives, including Indigenous Engagement initiatives and the Saskatchewan Rate Review Panel.
Finance & Administration • Accounting • Internal Audit • Performance Management & Financial Analysis	The Finance & Administration division provides financial reporting, analysis and recommendations to CIC and the CIC Board and advice and guidance to the Crown corporations on a wide range of business issues. Specifically, the division provides support through: • strategic Shareholder planning and direction to the Crown sector; • assessing and advising on strategic initiatives related to the Crown sector; • internal corporate planning; • oversight of Crown corporation performance management and capital allocation plans; • Crown sector-wide financial reporting and forecasting; • management of CIC's budget and financial transactions; • internal audit services to CIC and the smaller subsidiary Crown corporations; • oversight of Crown sector procurement practices; and • corporate administration services and information management.
Crown Services • Crown Governance • Crown Sector Human Resources • Legal	The Crown Services division provides advice and guidance to CIC, the CIC Board and the Crown corporations and their boards on a wide range of policy issues. Specifically, the division provides support through: • legal advisory services to CIC, smaller subsidiary Crown corporations and the CIC Board; • oversight of Crown sector human resource policies and programs; and • development and management of leading practices in corporate governance, including corporate secretarial and governance advisory services to the Crown corporation boards, and director training and development.

Management Organization

President's Division

- Kent Campbell, President & CEO
- Tim Highmoor, Vice President, Crown Sector Initiatives
- Joanne Johnson, Executive Director, Communications
- Chris Buchan, Director, Strategic Policy & Stakeholder Engagement[1]

Crown Services Division

- Brian Gyoerick, Vice President, Crown Services[2]
- Alan Fern, General Counsel & Corporate Secretary
- Dale Bloom, Executive Director, Crown Governance

Finance & Administration Division

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

[1] Ms. JoAnn Buhr held this position, which at the time reported through the Crown Services Division, until her retirement on May 14, 2021.
[2] Mr. Gyoerick retired on May 31, 2022.

Brian Gyoerick
Vice President,
Crown Services

Cindy Ogilvie
Senior Vice President & CFO,
Finance & Administration

Kent Campbell
President & CEO

Joanne Johnson
Executive Director,
Communications

Tim Highmoor
Vice President,
Crown Sector Initiatives

CIC Executive

Kent Campbell

President & CEO

Kent is a Chartered Professional Accountant, with two undergraduate degrees and a Master's Degree in Business Administration. Kent has over 25 years of service with the Government of Saskatchewan and joined CIC in 2020. Prior to his current role, Kent has served as Deputy Minister of Energy and Resources, Deputy Minister of Economy, Deputy Minister of Intergovernmental Affairs, Interim Deputy Minister to the Premier and Cabinet Secretary and Deputy Minister of Trade and Export Development.

Cindy Ogilvie

Senior Vice President & CFO, Finance & Administration

Cindy is a Chartered Professional Accountant. She has over 28 years of service with the Government of Saskatchewan, joining CIC in 2001. Cindy became the Vice President and Chief Financial Officer, CIC in 2015. She is the Chair of the CIC AMI Board on behalf of CIC. Cindy obtained her Chartered Directors designation (ICD.D) in 2021.

Tim Highmoor

Vice President, Crown Sector Initiatives

Tim has 15 years of service with the Government of Saskatchewan in both executive government and the Crown sector. He joined CIC in December 2020. Tim currently sits on numerous Executive Government and Crown sector committees and holds a Master's Degree in Agricultural Economics.

Brian Gyoerick

Vice President, Crown Services

Brian has a B.A. Advanced in Public Administration. He has over 30 years of public and private sector human resource experience, joining CIC in 2011. Brian serves as member of the Conference Board of Canada's Compensation Research Centre. Brian's public sector experience includes various positions with CIC, Public Service Commission, Ministry of Finance and Farm Credit Canada.

Joanne Johnson

Executive Director, Communications

Joanne has a Master's of Administration Leadership, is a certified Public Sector Governor, and holds two university certificates in Business Administration. Joanne joined CIC in 2016 and has over 37 years of service with the Government of Saskatchewan in both executive government and the Crown sector.

Executive Compensation

Crown sector executive compensation was adjusted in 2021-22 to address concerns regarding levels of compensation relative to public expectations, recognizing the difficult economic times experienced with recovery from the COVID-19 pandemic. Effective April 1, 2021 the CIC Board directed that salary holdbacks be eliminated for CIC executives and reduced by 66 2/3 per cent for all other Crown sector executives. Crown executive compensation for CEO and Vice President levels was reduced between 6.7 and 25 per cent, as a percentage of their base salaries.

2021-22 CIC Executive Compensation

Base Salary (71%)	Vacation & Flex Days (12%)
Pension & Retiring Allowance (9%)	Vehicle Allowance (3%)
General Benefits (3%)	Flexible Credit Account (2%)

Compensation

As required by *The Crown Employment Contracts Act*, the CEO and direct reports of the CEO report the details of their compensation and benefits to the Clerk of Executive Council. These filings are available for public review.

Consistent with CIC Board and Cabinet-approved ranges, the 2021-22 CIC senior executive base salary ranges, which were reduced from the tier 4 to tier 3 levels effective July 1, 2021 were:

Position	Base Salary Range
CEO	$302,822 - $378,528
Senior Executive 1	$236,216 - $295,271
Senior Executive 2	$200,785 - $250,981

The Standing Committee on Crown and Central Agencies requires all Crown corporations to file an annual payee list, which includes remuneration information for the executive members. Payee Disclosure Reports are available on CIC's website at **www.cicorp.sk.ca**. The CIC Board reviews the details of these expenditure reports annually.

Eligibility for Payment of Salary Holdback

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

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%

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

Crown corporation boards must also establish a minimum performance level, or threshold, which must be met before any salary holdback is paid out. There must be two elements to the threshold:

1. A set level of performance related to total corporate performance (includes financial and non-financial); and
2. Within the above, a further financial threshold.

Both thresholds must be met before there is any salary holdback payout, i.e., the overall total corporate threshold must be met **and** the financial threshold must be met on a standalone basis. The minimum either threshold can be set at is 80 per cent.

The CIC Board receives quarterly progress reports regarding performance against the balanced scorecard targets. The Crown Board annually reviews and approves executive performance, including targets for the payment of salary holdbacks.

Employee Conduct and Development

Corporate Policies

CIC strives to maintain the highest legal and ethical standards in all its business practices. Each employee is expected to act responsibly, with integrity and honesty, and to comply with CIC's code of conduct and its underlying policies and objectives. CIC operates under a complete, regularly updated and approved set of corporate policies and procedures. CIC requires all employees, including new employees at time of hire, to annually confirm in writing that they have read, understand and agree to comply with the policies relating to employee conduct:

- Employee Conduct Policy;
- Personal Information Privacy Policy;
- Acceptable Use of Computing Resources Policy; and
- Anti-Harassment Policy.

CIC is committed to the safety of its employees and their families. Throughout 2021-22, CIC continued to implement COVID-19 pandemic preventative measures aligned with direction released by the Government of Saskatchewan. CIC started the year with employees again working remotely from home. A transition back to the workplace began after the roll out of vaccinations and the Government of Saskatchewan indicating it was safe to return to the workplace. All staff had returned to the workplace by early July 2021. Strict cleaning protocols, signage and masking in the workplace continued to ensure a safe working environment and proof of vaccination was implemented October 1, 2021, as per Government of Saskatchewan direction, for all public sector employees. All CIC employees completed a declaration form confirming their vaccination status and subsequently provided proof of vaccination in October 2021.

With the lifting of public health orders in February 2022, CIC removed the mandatory masking requirement; however, cleaning protocols continued, wearing of masks was optional, and employees were encouraged to stay home when feeling unwell. In 2021-22, CIC substantially completed its Pandemic Preparedness Plan. The plan provides information and action steps for preparation, response, and recovery in the event of future pandemics.

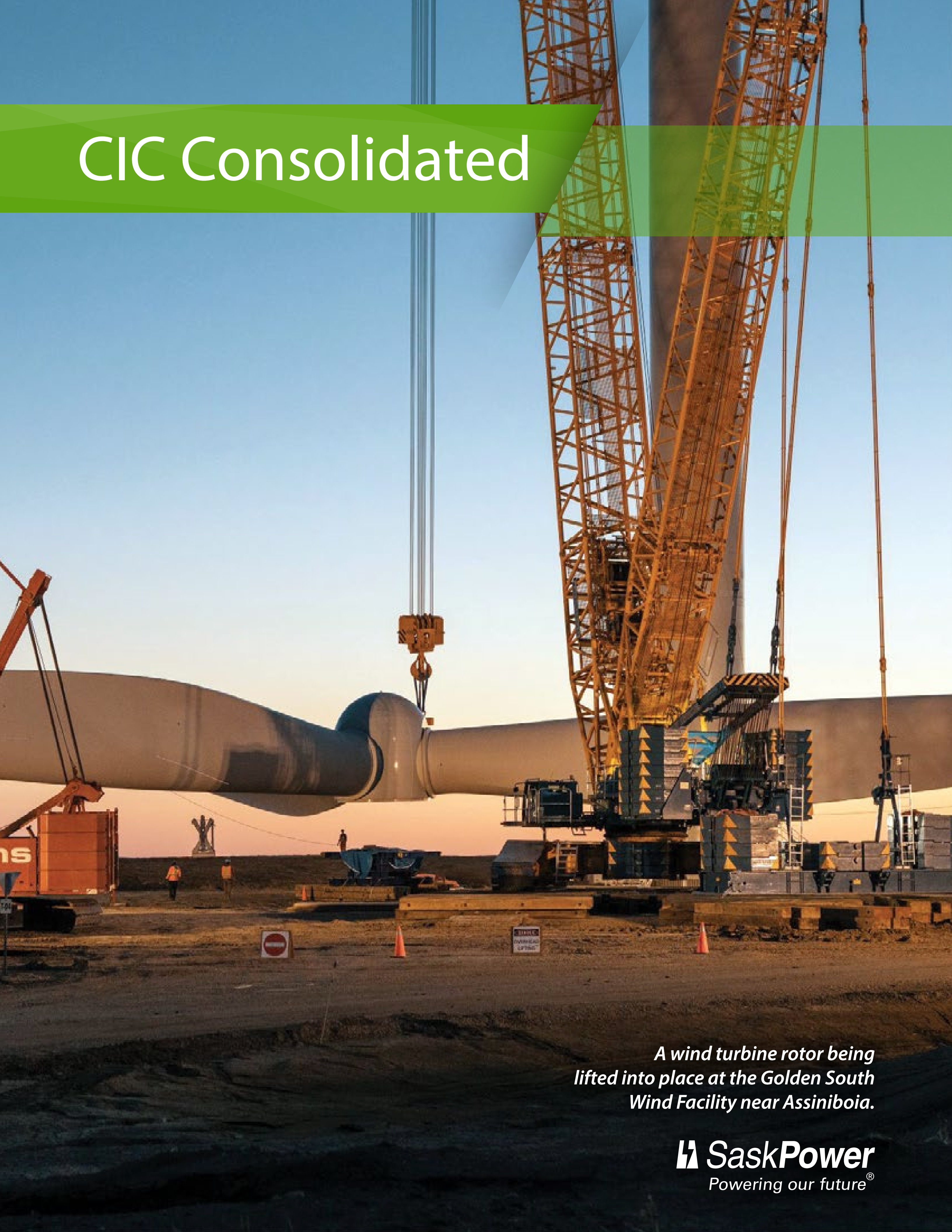
Strong security procedures are in place and continue to evolve to keep up with the cyber security landscape. These security processes ensure CIC can continue critical operations in the event of an incident or disruption. Also prior to the pandemic, CIC began updating its corporate Business Continuity Plan and completed that work in 2020-21. In 2021-22, CIC substantially completed its Information Technology (IT) Disaster Recovery Plan. The plan establishes defined responsibilities, actions, and procedures to recover CIC's IT infrastructure in the event of an unexpected interruption or loss of computing resources.

Professional Development

CIC provides opportunities for professional development at all levels. CIC's corporate programs, policies and practices form a solid foundation for ensuring the corporation is well positioned to retain the knowledge and competencies required to carry out its mandated responsibilities. They include:

- leadership development for executive and management team members;
- budgeted resources for employee development;
- the requirement for a training and development objective in the annual work plan of all team members as well as documentation of career goals and objectives;
- a formal succession plan, updated annually, to manage the risks associated with the departure of employees in positions critical to CIC from a strategic and operational perspective; and
- a Phased Retirement Policy to facilitate knowledge transfer from senior employees planning to retire to those employees who will take on their responsibilities.

CIC Consolidated



A wind turbine rotor being lifted into place at the Golden South Wind Facility near Assiniboia.

SaskPower
Powering our future®

CIC Consolidated Management Discussion & Analysis

Preface

The purpose of the following discussion is to provide the users of CIC's financial statements with an overview of the corporation's financial performance and the various measures CIC uses to evaluate its financial health. The following analysis of CIC's consolidated 2021-22 financial results should be read in conjunction with the audited consolidated financial statements. For purposes of CIC's consolidated MD&A, "CIC" and "Corporation" refer to the consolidated entity. The Corporation's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and, as such, consolidate the results of all the Corporation's subsidiary corporations.

Producing two different views of CIC's operations and results, with consolidated and separate financial statements, is the cornerstone of our commitment to accountability and transparency. Explanations of the differing purposes of these statements are provided in the following pages.

In addition to the information on CIC's 2021-22 results, the following discussion also provides detailed information regarding performance relative to the business plan, and how it affects the CIC Crown sector in the future.

Forward-Looking Information

Throughout the annual report, and particularly in the following discussion, forward-looking statements are made. These statements can be recognized by terms such as "outlook," "expect," "anticipate," "project," "continue," or other expressions that relate to estimations or future events. By their nature, forward-looking statements require assumptions based on current information, management experience and historical performance. Forward-looking information is subject to uncertainties, and, as a result, forward-looking statements are not a guarantee about the future performance of CIC and its subsidiary Crown corporations.

Readers should not place undue reliance on forward-looking statements, as several factors could cause actual results to differ materially from estimates, predictions and assumptions. Factors that can influence performance include, but are not limited to: global pandemics, weather conditions, commodity markets, general economic and geo-political conditions, interest and exchange rates, performance, competition and regulatory environment. Given these uncertainties, assumptions contained in the forward-looking statements may or may not occur.

CIC sponsored the Dress for Success Regina – empowHER 2022 Gala helping to empower women to achieve economic independence directly impacting their lives and their families. Dress for Success aspires to create a world that fully harnesses the power of women and recognizes their role in economic sustainability. Programs include a network of support, professional attire and the development tools to help women thrive in work and in life.

A Closer View of CIC's Holdings

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

Investment	Major Business Line
	Utilities:
Saskatchewan Power Corporation (SaskPower)	Electricity
Saskatchewan Telecommunications Holding Corporation and Saskatchewan Telecommunications (collectively SaskTel)	Information and communications technology
SaskEnergy Incorporated (SaskEnergy)	Natural gas storage and delivery
Saskatchewan Water Corporation (SaskWater)	Water and wastewater management
	Insurance:
Saskatchewan Government Insurance (SGI CANADA)	Property and casualty
	Entertainment:
Saskatchewan Gaming Corporation (SGC or SaskGaming)	Gaming
	Investment and Economic Growth:
CIC Asset Management Inc. (CIC AMI)[1]	Investments
Saskatchewan Opportunities Corporation (SOCO)[2]	Research Parks

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

[2] On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022.

Profiles of material subsidiary corporations are included in this section. Each subsidiary Crown corporation prepares an annual report, which is tabled in the legislative assembly.

The data on the following page illustrates the importance of the utility and insurance business segments to the financial results of the Corporation. Of these corporations, SaskPower, SaskTel, SaskEnergy and SGI CANADA are the most significant in terms of assets, liabilities, and operating earnings generated.

Understanding CIC's Financial Statements

CIC prepares two sets of financial statements: consolidated financial statements and separate financial statements.

CIC Consolidated Financial Statements

These statements illustrate CIC's results consolidated with the results of its subsidiary corporations. The financial statements are prepared in accordance with IFRS and include:

- financial results of subsidiary Crown corporations (SaskPower, SaskTel, SaskEnergy, SGI CANADA, SGC, SaskWater, and SOCO);
- financial results for CIC's wholly-owned subsidiary (CIC AMI);
- dividends and equity repayments paid by CIC to the General Revenue Fund (GRF); and
- CIC's operating results and public policy expenditures.

Consolidated earnings represent the total earnings in the Crown sector, taking into consideration the elimination of all inter-entity transactions (i.e., revenues and expenses between Crown corporations and dividends paid by Crown corporations to CIC).

Understanding CIC's Financial Statements *(continued)*

CIC Separate Financial Statements

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

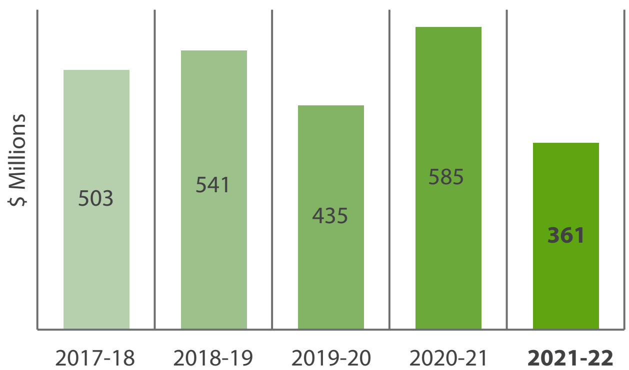
- dividends from subsidiary corporations and investments;
- dividends and equity repayments paid by CIC to the GRF;
- equity advances to subsidiaries; and
- CIC's operating results and public policy expenditures.

CIC's 2021-22 Consolidated Financial Highlights

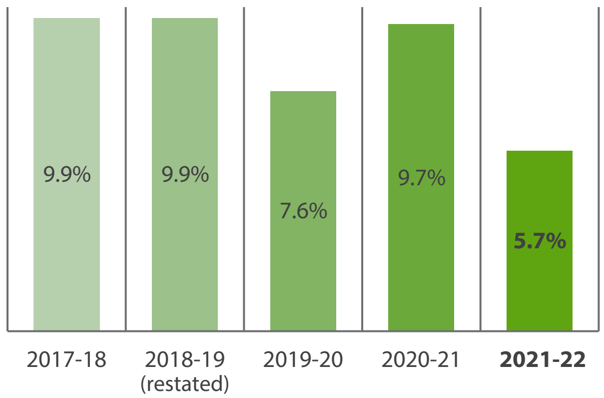
CIC Consolidated (millions of dollars)	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Net earnings	**$ 361.0**	$ 585.4	$ 435.4	$ 540.6	$ 503.0
Assets	**21,586.2**	20,962.9	20,625.5	19,793.6	18,965.4
Debt[1]	**10,682.2**	10,254.7	10,342.2	9,795.3	9,416.8
Dividend to the GRF	**150.0**	150.0	250.0	256.0	205.0
Debt ratio	**60.4%**	59.5%	61.1%	60.6%	61.7%
Return on equity	**5.7%**	9.7%	7.6%	9.9%	9.9%

[1] Consolidated debt includes long-term debt, long-term debt due within one year, and notes payable (including liabilities held-for-sale).

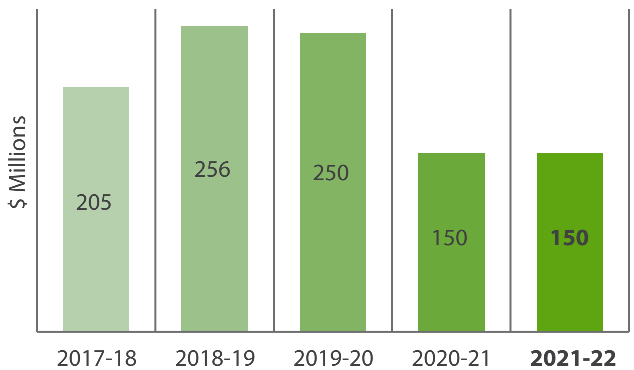
Consolidated Net Earnings



Consolidated Return on Equity



Dividends to GRF



"CIC, on behalf of the Crown sector, provided $150M in dividends to the GRF in 2021-22."

CIC CONSOLIDATED


Your words have
impact, be kind online.
SaskTel

Significant Events Impacting 2021-22 Consolidated Results

During 2021-22, the following significant events impacted the Corporation's consolidated results:

1. **Capital Expenditures**
   During 2021-22, the Corporation spent $1,637.9 million (2020-21 - $1,220.9 million) on capital expenditures related to investing in aging infrastructure and meeting the demand for growth. Capital expenditures were funded through cash from operations and debt.
2. **Assets and Liabilities Held-for-Sale and Discontinued Operations**
   On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022. Subsequent to year end, CIC received $93.5 million for its investment and no gain was recognized on the transaction. SOCO's assets, liabilities, and earnings have been classified as held-for-sale and discontinued operations in the consolidated financial statements.

Accounting Policy Developments Impacting Future Consolidated Results

As disclosed in Note 4(t) in the consolidated financial statements, a number of new accounting standards and amendments to standards and interpretations are not yet effective for the period ended March 31, 2022 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.

Consolidated Net Earnings

Consolidated Net Earnings (millions of dollars)	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
SaskEnergy	**$ 158.3**	$ 80.8	$ 43.5	$ 165.7	$ 143.5
SaskTel	**104.4**	130.8	119.8	127.4	121.0
SGI CANADA	**81.8**	172.1	49.9	48.0	59.4
SaskPower	**10.7**	160.2	205.8	197.0	145.5
SGC	**9.5**	(13.4)	20.1	22.5	23.2
SaskWater	**8.7**	7.4	8.4	7.5	8.1
SOCO	**1.1**	0.6	3.0	3.5	5.6
CIC AMI[1]	**(7.3)**	19.5	9.3	(8.3)	(3.7)
STC	**-**	-	-	-	26.6
CIC (Separate)	**186.5**	272.4	212.5	235.3	213.1
Consolidation adjustments[2]	**(192.7)**	(245.0)	(236.9)	(258.0)	(239.3)
Consolidated Net Earnings	**$ 361.0**	$ 585.4	$ 435.4	$ 540.6	$ 503.0

[1] On April 1, 2021, FNMF, SIIF, and CIC AMI amalgamated. All assets, liabilities, and obligations were amalgamated and the entity is operating as CIC AMI. 2017-18 to 2020-21 comparative information has been restated to include the results of CIC AMI, FNMF, and SIIF.

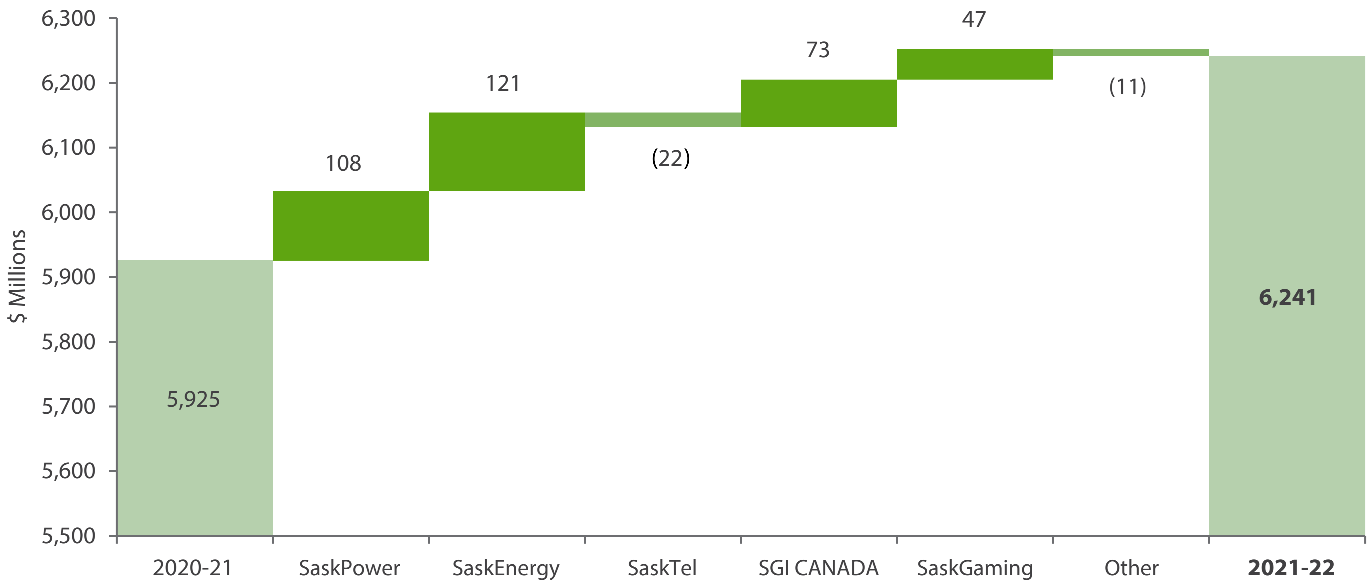
[2] Consolidation adjustments reflect the elimination of all inter-entity transactions, such as grants from CIC to Crown corporations, revenues and expenses between Crown corporations, and dividends paid by Crown corporations to CIC.

Analysis of Consolidated Revenues and Expenses

Revenue and Other Income

Revenue and other income (including discontinued operations) was $6,240.8 million in 2021-22 (2020-21 - $5,925.5 million), an increase of $315.3 million from the same period in 2020-21. This was primarily a result of increased revenues at SaskPower, SaskEnergy, SGI CANADA, and SaskGaming.

Changes in Revenue and Other Income



SaskPower revenue increased by $107.5 million primarily due to higher electricity sales which can be largely attributed to the improved economic conditions in the province as Saskatchewan continues to recover from the COVID-19 pandemic. Export and electricity trading revenue also increased due to additional opportunities to sell into the Alberta market at higher prices.

SaskEnergy revenue increased by $120.6 million primarily due to more opportunities to purchase and sell natural gas in the market to generate earnings and a commodity rate increase effective November 1, 2021. Transportation and storage revenue was also higher due to rate increases effective April 1, 2021.

SGI CANADA revenue increased by $72.9 million primarily due to premium growth in all Saskatchewan lines of business. This growth relates to annual inflationary increases, rate increases in personal and agriculture lines, and additional risks and coverages being added to existing policies.

SaskGaming's revenue increased by $46.9 million due to Casinos Regina and Moose Jaw reopening to the public on June 20, 2021. The casinos suspended operations for the majority of 2020-21 as a result of the COVID-19 pandemic.

CIC helped teachers instill a love of science in their students by assisting with classroom trips to the Science Centre.

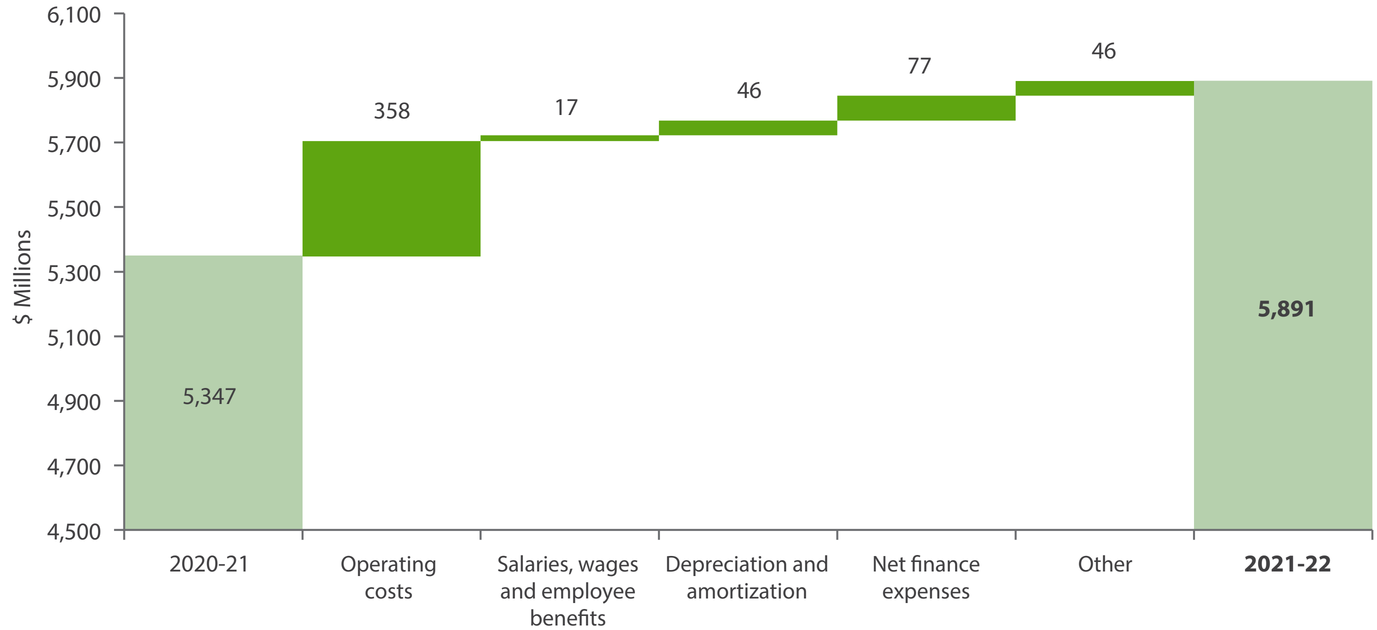
SASKATCHEWAN SCIENCE CENTRE
Real science. Real fun!

Analysis of Consolidated Revenues and Expenses *(continued)*

Operating and Net Finance Expenses

Total operating and net finance expenses (including discontinued operations) were $5,890.8 million in 2021-22 (2020-21 - $5,347.0 million), an increase of $543.8 million from the same period in 2020-21. This was primarily due to increased operating costs, depreciation and amortization, net finance expenses, and other expenses.

Changes in Total Operating and Net Finance Expenses



Operating Costs

Operating costs were $3,256.7 million in 2021-22 (2020-21 - $2,898.6 million), an increase of $358.1 million from the same period in 2020-21. This was primarily due to increased fuel costs at SaskPower as a result of lower cost hydro generation being replaced with more expensive fuel sources because of low water levels in the province. Increased generation volumes and higher federal carbon changes also contributed to the increase. In addition, SGI CANADA experienced increased claims primarily due to premium growth partially offset by decreased storm claims.

Depreciation and Amortization

Depreciation and amortization were $1,013.0 million in 2021-22 (2020-21 - $967.1 million), an increase of $45.9 million primarily due to additional investments in property, plant and equipment at SaskPower, SaskTel, and SaskEnergy to sustain infrastructure and meet the demand for growth.

Net Finance Expenses

Net finance expenses were $459.0 million in 2021-22 (2020-21 - $381.8 million), an increase of $77.2 million from the same period in 2020-21. This was primarily due to decreased investment earnings at SGI CANADA. While investment returns were strong in 2021-22, they were lower than the returns experienced in 2020-21 due to the COVID-19 market rebound.

Other Expenses

Other expenses were $190.7 million in 2021-22 (2020-21 - $145.2 million), an increase of $45.5 million due to an increase in gaming fees as SaskGaming resumed its operations. Prior year recoveries on CIC's investment in Information Services Corporation (ISC) and CIC AMI's environmental remediation provisions also contributed to the increase as they offset expenses in 2020-21. Partially offsetting these increased costs was a gain recorded by SaskEnergy from obtaining the title to its head office building in 2021-22.

Analysis of Consolidated Capital Resources

Consolidated Debt

The Corporation closely monitors the debt levels of its subsidiaries, utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in a corporation's capital structure. Too high a ratio relative to target, which is determined according to industry standards, indicates a debt burden that may impair a corporation's ability to withstand downturns in revenues and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the period.

The Corporation reviews the debt ratio targets of all its subsidiary Crown corporations on an annual basis to ensure comparability with industry standards. This review includes subsidiary Crown corporations' plans for capital spending over the medium term. The target debt ratios for subsidiary Crown corporations are benchmarked to industry and reviewed and approved by the CIC Board of Directors. The Corporation uses targeted debt ratios to compile a weighted average debt ratio for the Crown sector. The target ratio for 2021-22 was 61.2 per cent.

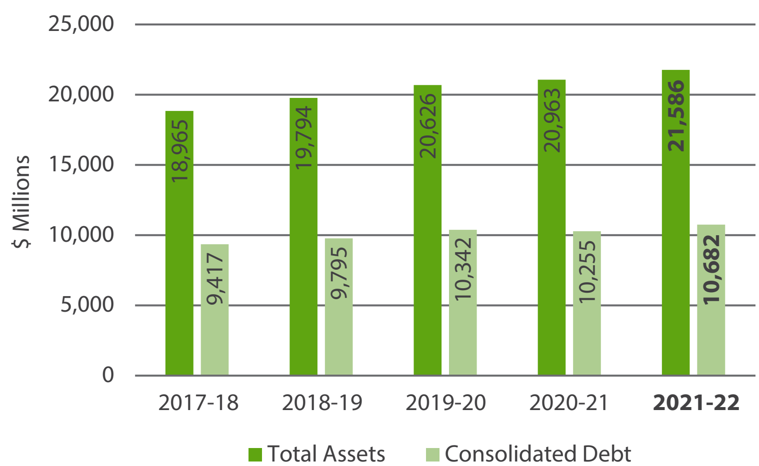
For further information on the Corporation's approach to capital management, refer to Note 24 of the audited consolidated financial statements.

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

	2021-22	2020-21	2019-20	2018-19	2017-18
Consolidated debt	**$ 10,682.2M**	$ 10,254.7M	$ 10,342.2M	$ 9,795.3M	$ 9,416.8M
Consolidated debt ratio	**60.4%**	59.5%	61.1%	60.6%	61.7%
Consolidated debt ratio target	**61.2%**	62.3%	61.8%	62.1%	62.8%

Debt on a consolidated basis (including liabilities held-for-sale) was $10,682.2 million at March 31, 2022 (2020-21 - $10,254.7 million), a year over year increase of $427.5 million. The increase is primarily attributed to higher debt at SaskPower ($54.3 million), SaskEnergy ($146.4 million), and SaskTel ($233.6 million). These increases in debt were primarily required to fund a portion of capital expenditures needed to sustain infrastructure and meet the demand for growth.

Over the last five periods, consolidated debt has increased $1,265.4 million in support of increased assets of $2,620.8 million.



Capital Spending

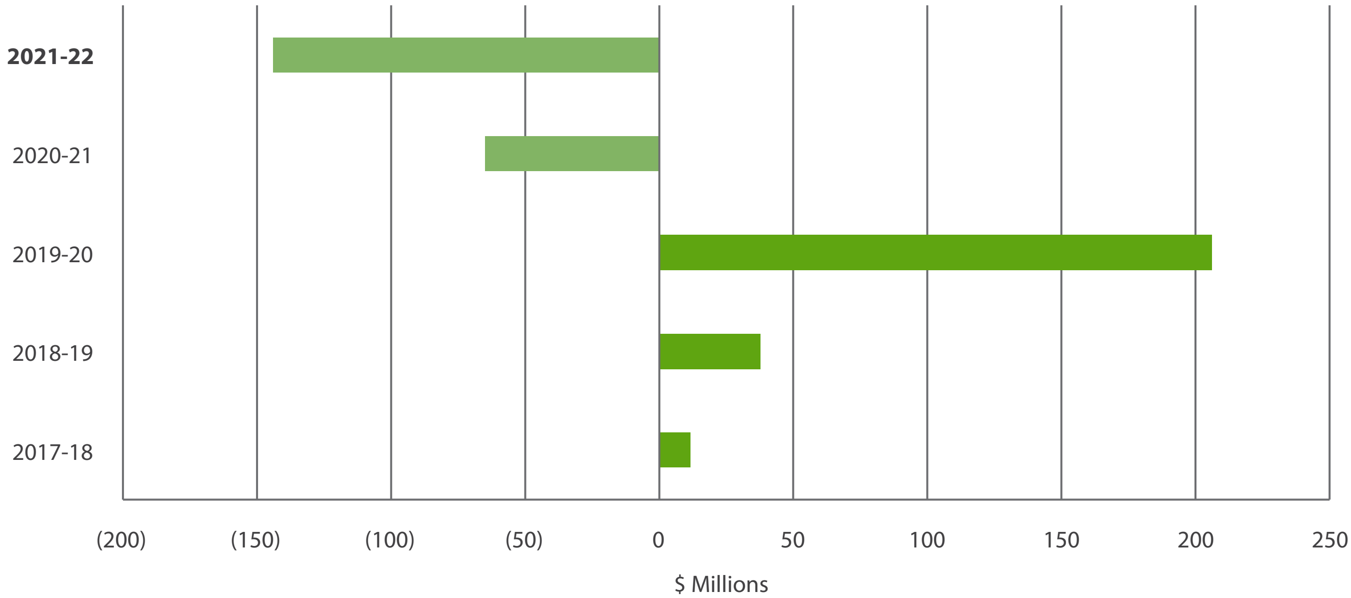
Capital spending (property, plant and equipment, investment property and intangible asset purchases) increased $417.0 million to $1,637.9 million in 2021-22 (2020-21 - $1,220.9 million) primarily due to the resumption of capital projects as the province recovers from the COVID-19 pandemic. Major capital expenditures included:

- $911.8 million at SaskPower related to the Great Plains Power Station in Moose Jaw, connecting customers to the electricity system, increasing capacity, and sustaining transmission and distribution infrastructure including funding from the Power Grid Renewal Grant provided through the Ministry of SaskBuilds and Procurement;
- $460.4 million at SaskTel on Fibre to the Premises, 5G network modernization, wireless network enhancements, and basic network growth and enhancements; and
- $237.7 million at SaskEnergy primarily related to customer connections, system expansions to meet customer growth including the 85-kilometer gas line from Rosetown to Vanscoy, and spending to ensure the safety and integrity of its extensive distribution and transmission systems.

Operating, Investing and Financing Activities

Cash and cash equivalents for 2021-22 decreased $144.1 million (2020-21 - $65.0 million decrease) primarily due to increased cash used in investing activities partially offset by increased cash from operating and financing activities. A detailed discussion of cash flows from operating, investing, and financing activities is included below.

Net Change in Cash and Cash Equivalents



Cash Flow Highlights (millions of dollars)	**2021-22**	2020-21
Net cash from operations	**$ 1,469.7**	$ 1,395.7
Net cash used in investing activities	**(1,745.3)**	(1,286.3)
Net cash from (used in) financing activities	**131.5**	(174.4)
Change in cash and cash equivalents	**$ (144.1)**	$ (65.0)

Operating Activities

Net cash from operations increased by $74.0 million to $1,469.7 million in 2021-22 (2020-21 - $1,395.7 million). The increase is due to favourable changes in non-cash working capital balances, partially offset by decreased earnings. A contributing factor to the favourable change in non-cash working capital was the conclusion of the Crown Utility Interest Deferral Program in 2021-22, which resulted in lower accounts receivable balances at the end of the year as customers repaid their account balances.

Investing Activities

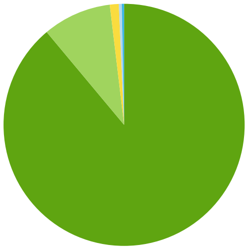
Net cash used in investing activities increased $459.0 million to $1,745.3 million in 2021-22 (2020-21 - $1,286.3 million) primarily due to capital projects resuming as the province recovers from the COVID-19 pandemic.

Financing Activities

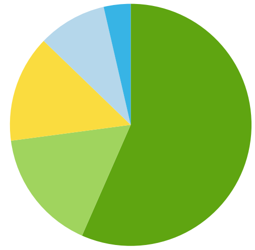
Net cash from financing activities increased $305.9 million to $131.5 million in 2021-22 (2020-21 - $174.4 million used in financing activities). The change was primarily due to increased debt proceeds to fund a portion of capital expenditures partially offset by a $177.0 million equity repayment to the GRF in 2021-22.

Segmented Information

Total Assets by Business Segment



Total Assets by Corporation



	Utilities		Entertainment		Insurance		Investment & Economic Growth		Other[1]		Total	
(millions of dollars)	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Statement of Income												
Total revenue	5,176	4,968	78	31	1,106	1,033	-	-	(157)	(144)	6,203	5,888
Operating (expenses) recoveries	(4,405)	(4,079)	(68)	(44)	(1,056)	(989)	(8)	18	140	164	(5,397)	(4,930)
Net finance (expenses) income	(490)	(509)	-	(1)	32	128	1	1	-	-	(457)	(381)
Net earnings (loss) from continuing operations	281	380	10	(14)	82	172	(7)	19	(17)	20	349	577
Share of net earnings from equity accounted investees	-	-	-	-	-	-	-	-	11	7	11	7
Net earnings from discontinued operations	-	-	-	-	-	-	1	1	-	-	1	1
Net earnings (loss)	281	380	10	(14)	82	172	(6)	20	(6)	27	361	585
Statement of Financial Position												
Current assets	1,477	1,403	23	6	775	788	229	82	(5)	67	2,499	2,346
Investments & other	1,672	1,833	5	4	1,189	1,037	28	12	117	113	3,011	2,999
Capital assets[2]	16,051	15,424	64	60	19	20	-	167	(58)	(53)	16,076	15,618
	19,200	18,660	92	70	1,983	1,845	257	261	54	127	21,586	20,963
Current liabilities	2,715	2,237	17	16	1,031	950	70	35	(94)	(125)	3,739	3,113
Long-term debt	9,228	9,160	-	-	-	-	-	37	-	-	9,228	9,197
Lease liabilities	951	993	3	4	9	10	-	1	4	3	967	1,011
Other	840	995	-	-	414	380	50	43	(2)	(7)	1,302	1,411
	13,734	13,385	20	20	1,454	1,340	120	116	(92)	(129)	15,236	14,732
Province's equity	5,466	5,275	72	50	529	505	137	145	146	256	6,350	6,231
	19,200	18,660	92	70	1,983	1,845	257	261	54	127	21,586	20,963
Statement of Cash Flows												
Operating activities	1,271	1,263	23	(11)	176	139	7	12	(7)	(7)	1,470	1,396
Investing activities												
Capital asset purchases[3]	(1,619)	(1,203)	(12)	(8)	(3)	(4)	(5)	(6)	1	-	(1,638)	(1,221)
Other	5	(9)	-	-	(78)	(107)	(35)	50	1	-	(107)	(66)
	(1,614)	(1,212)	(12)	(8)	(81)	(111)	(40)	44	2	-	(1,745)	(1,287)
Financing activities												
Debt proceeds	331	996	-	-	-	-	-	-	-	-	331	996
Debt repayments	(244)	(439)	-	-	-	-	-	(3)	-	-	(244)	(442)
Dividends paid	(141)	(167)	-	-	(89)	(63)	(1)	(1)	81	81	(150)	(150)
Equity (repaid) received	(50)	-	12	4	-	-	(1)	(1)	(138)	(3)	(177)	-
Change in notes payable and other	381	(574)	(6)	-	(2)	(2)	(2)	(2)	-	-	371	(578)
	277	(184)	6	4	(91)	(65)	(4)	(7)	(57)	78	131	(174)
Change in Cash and Cash Equivalents	(66)	(133)	17	(15)	4	(37)	(37)	49	(62)	71	(144)	(65)

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

Participants wear virtual reality goggles on the MADD SmartWheels bus – an immersive learning experience about the dangers of impaired driving.

SGI

SaskPower
Powering our future®

Utilities

2021-22 Financial Results

SaskPower is committed to supporting economic growth and enhancing quality of life in Saskatchewan. At the foundation of SaskPower's business strategy is the pursuit of its vision of powering Saskatchewan to a cleaner energy future through innovation, performance, and service. SaskPower works around the clock to provide power generation, transmission, and distribution services to nearly 550,000 customer accounts. It prides itself on maintaining one of the largest service areas in Canada – a geographic region of approximately 652,000 square kilometres.

SaskPower reported net earnings of $10.7 million in 2021-22, down $149.5 million from the prior year. Overall earnings decreased as a result of increased fuel and purchased power costs.

Revenue of $2,884.9 million (2020-21 - $2,777.3 million) increased mainly due to higher Saskatchewan electricity sales largely attributed to the improved economic conditions in the province as Saskatchewan continues to recover from the COVID-19 pandemic. Electricity sales volumes to Saskatchewan customers were 23,300 gigawatt hours (GWh), up 923 GWh or 4.1 per cent compared to the prior year. This was due to increased activity in the oilfield and commercial customer classes, as well as higher production in most major power customer sectors including pipeline, refinery, and steel.

Expenses of $2,874.2 million (2020-21 - $2,617.1 million) increased mainly due to higher fuel and purchased power costs as a result of lower cost hydro generation being replaced with more expensive fuel sources, increased generation volumes, and higher federal carbon charges. Operating expenses also increased due to the timing of overhauls at generating facilities, higher vegetation management costs, and increased spending on cyber security and technology cloud-based initiatives. Capital-related expenses increased as a result of an award received in the prior year related to a contractual dispute and higher depreciation expense related to SaskPower's extensive capital program, offset by lower interest on lease liabilities and borrowings.

Gross long-term debt, short-term debt, and finance leases of $8,043.3 million (March 31, 2021 - $8,022.0 million) increased marginally due to increased short-term borrowings. SaskPower invested $911.8 million (2020-21 - $651.1 million) in various capital projects, including new generation such as the Great Plains Power Station, customer connects, and sustaining transmission and distribution infrastructure.

2022-23 Outlook

SaskPower's earnings are expected to increase in 2022-23, primarily due to higher Saskatchewan electricity sales as a result of an anticipated system average rate increase of 4.0 per cent effective September 1, 2022, and a 1.4 per cent projected increase in demand. The increase in revenue is expected to be partially offset by higher operating expenses largely due to feasibility studies relating to nuclear small modular reactors and increased vegetation management costs. As well, fuel and purchased power costs are expected to rise due to increased renewable generation. These earnings expectations are subject to a number of variables including: natural gas prices; coal and hydro availability; weather; economic conditions; customer numbers; supply chain; and market conditions in other jurisdictions.

SaskPower plans to continue making significant investments in its generation, transmission, and distribution infrastructure, with anticipated capital expenditures of $1,053.0 million in 2022-23.

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net earnings	$ 10.7M	$ 160.2M	$ 205.8M	$ 197.0M	$ 145.5M
Dividends declared to CIC	$ 3.2M	$ 48.1M	$ 20.6M	$ 19.7M	$ -
Total assets	$ 12,228.9M	$ 12,133.5M	$ 12,203.0M	$ 11,811.7M	$ 11,456.2M
ROE	0.4%	5.8%	7.8%	7.9%	6.2%
Debt ratio	71.9%	71.4%	72.6%	74.1%	74.9%

Key Enterprise Risks, Mitigations and Action Plans

SaskPower is challenged by regulatory requirements regarding emissions, changes to carbon tax pricing, early engagement with Indigenous and non-Indigenous communities, the need for new electricity supply, financial constraints, economic disruptors, evolving technologies, growing capital requirements, and the speed at which stakeholder and customer expectations are changing.

The top three risks identified through the Enterprise Risk Management process include Industry Disruption, Safety of Employees and Contractors, and Security.

> *SaskPower is currently working on a supply plan that would increase generating capacity from renewable sources such as wind and solar while reducing greenhouse gas emissions.*

SaskPower is currently working on a supply plan that would increase generating capacity from renewable sources such as wind and solar while reducing greenhouse gas emissions. The Standard Protection Code and Standard Operating Procedures have been embedded in SaskPower's safety culture and operations. SaskPower has also established physical and cyber security controls to defend its servers, networks and data from attack, damage, or unauthorized use. Identity and access management controls restrict unauthorized access of data and malicious manipulation of data by external or internal actors.

Economic, Environmental, and Social Support Initiatives

As part of the drive to a targeted reduction of greenhouse gas emissions by 50.0 per cent from 2005 levels by 2030, SaskPower added 385 megawatts (MW) of new wind power capacity in 2021-22.

Steel work at the Great Plains Power Station – Moose Jaw

Indigenous rights holders are playing an important role in the growth of renewable energy:

- Development of the 10-MW Pesâkâstêw Solar Energy Facility jointly developed by the George Gordon First Nation, Star Blanket Cree Nation, and Natural Forces and the 10-MW Awasis Solar Energy Facility jointly developed by Cowessess First Nation and Elemental Energy.
- Ongoing development of an 8-MW biomass generating facility being built by the Meadow Lake Tribal Council.
- Finalization of a Power Purchase Agreement with Flying Dust First Nation and Genalta Power for the 15-MW Kopahawakenum Flare to Power Facility.

Throughout the year, SaskPower continued with a range of initiatives to help alleviate the pandemic's financial burden on customers. These included a deferral program to pay outstanding balances over a 12-month period and a one-time relief program to waive demand charges for eligible community rinks. Customers also benefited from the Government of Saskatchewan-funded Economic Recovery Rebate Program from December 1, 2020, to the end of November 2021. The program provided a 10.0 per cent reduction on the electrical charges portion of power bills.

In 2021-22, SaskPower invested approximately $1.9 million in educational programming and community initiatives.

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Total customer accounts	**549,940**	545,179	540,727	537,714	532,719
Gross electricity supplied (gigawatt hours)	**25,644**	24,634	25,033	25,777	25,317
Available generating capacity (net megawatts)	**5,246**	4,987	4,893	4,531	4,493
Annual peak load (net megawatts)	**3,910**	3,722	3,722	3,723	3,792
Power lines (kilometres)	**157,386**	157,572	157,129	156,747	157,562
Full-time equivalents	**3,525**	3,432	3,602	3,668	3,608

CIC CONSOLIDATED

SaskTel

Utilities

2021-22 Financial Results

SaskTel's vision is to be the best at connecting people to their world. Its mission is to provide an exceptional customer experience. As a provider of critical communications infrastructure and services in Saskatchewan, its customers are at the centre of everything SaskTel does.

Net earnings were $104.4 million in 2021-22, down $26.4 million from 2020-21. Total operating revenue was $1,300.9 million, down $16.8 million or 1.3 per cent from 2020-21, reflecting ongoing declines in legacy wireline services and declines in customer premise equipment due to higher customer demand in the prior year related to the COVID-19 pandemic. This decline was partially offset by growth in fixed broadband and data revenues from a growing subscriber base and increased revenue per customer as customers opted for higher internet speeds and increased services delivered over SaskTel's fibre network. The decline was also offset by increased wireless revenues which reflect a growing wireless subscriber base.

Total 2021-22 operating expenses were $1,169.9 million (2020-21 - $1,167.5 million), up $2.3 million from 2020-21. This was led by increased depreciation and amortization from growth in capital assets as SaskTel invested in network modernization through the launch of its 5G wireless network; capacity enhancements to support increased demand; and online fulfillment and customer self-serve platforms. These increases were partly offset by reduced costs from fewer wireless device and business-grade equipment sales.

Net financing expense in 2021-22 was $27.4 million (2020-21 - $25.6 million), up $1.8 million from 2020-21. The prior year included sinking fund earnings on debt maturities which did not occur in 2021-22. This was partially offset by decreased interest costs on long-term debt and increased customer interest charges resulting from the conclusion of the Crown Utility Deferral Payment Program which waived customer interest charges in the prior year.

Capital expenditures for the 2021-22 fiscal year were $460.4 million (2020-21 - $303.3 million), up $157.1 million from 2020-21. SaskTel's capital spending was related to: expanding its fibre network through the Fibre to the Premises program; acquiring 3500 megahertz spectrum licenses and expanding its wireless network; improving capacity to its wireline and wireless networks; expanding access infrastructure for new neighbourhoods and increasing capacity in existing neighbourhoods; enhancing its rural transport infrastructure to accommodate rural growth of fixed and mobile voice, video and data services; and investing in customer self-serve and internal systems. SaskTel's capital program remained on target continuing to improve its customer experience today and creating opportunities to provide additional enhancements and capabilities in the future.

Debt increased in 2021-22 to $1,550.1 million (2020-21 - $1,316.5 million) due to the issuance of long-term debt during the year, partially offset by decreased short-term borrowings. The overall level of debt increased to support SaskTel's capital program. The debt ratio of 54.6 per cent increased as a result of the increase in net debt compared to a relatively stable level of equity, year over year.

2022-23 Outlook

SaskTel is forecasting net earnings of $106.5 million in 2022-23. SaskTel is experiencing changes in customer demands, rapidly evolving technology, increasing competition, and regulatory instability that are contributing to pressures on its revenue, costs, and profit margins. Significant investment in network technologies and infrastructure, systems, processes, and workforce skills are planned that will ensure SaskTel is well positioned for these challenges.

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net earnings	**$ 104.4M**	$ 130.8M	$ 119.8M	$ 127.4M	$ 121.0M
Operating revenue	**$ 1,300.9M**	$ 1,317.7M	$ 1,283.7M	$ 1,277.9M	$ 1,253.2M
Dividends declared to CIC	**$ 94.0M**	$ 117.7M	$ 107.8M	$ 114.7M	$ 108.9M
Total assets	**$ 3,083.5M**	$ 2,856.5M	$ 2,807.3M	$ 2,662.1M	$ 2,489.9M
ROE	**8.8%**	11.0%	10.2%	11.0%	11.9%
Debt ratio	**54.6%**	50.4%	47.8%	46.6%	46.2%

Key Enterprise Risks, Mitigations and Action Plans

With the movement toward digitalization, automation, software-based products, and massive numbers of connected devices, cybersecurity will continue to be a threat and will require constant attention to mitigate. SaskTel regularly assesses its environment and implements extensive controls and measures to protect information and mitigate against service disruption. An evolving multi-year roadmap and program is in place to increase maturity and address any vulnerabilities.

SaskTel's networks and systems are core to delivering services and conducting business. If any of them became unavailable for an extended period, it could cause significant customer impacts. Networks and systems are designed and built to be highly available. Regular updates and maintenance, replacement of legacy technology and systems, alarming of key components, redundancy of network and system hardware, and change control processes help reduce the occurrence, duration, and severity of outages. Disaster recovery initiatives will continue to be implemented to protect existing and new systems.

In times of need, SaskTel recognizes that it's important for us to come together and support our communities, and those most impacted by events unfolding at home and afar.

SaskTel operates in a very competitive market and faces several challenges to increase revenue and profit margins. Contributing factors include non-traditional and large multi-national competitors, industry consolidation, disruptive technology, adoption of over-the top alternate technologies, declining legacy services, and SaskTel's own complex operating environment. SaskTel manages this risk by focusing on providing an exceptional customer experience, expanding and evolving its Broadband network (e.g., fibre and 5G), evolving its products and services, expanding markets, working with partners, and simplifying and automating the operating environment to respond quickly to market changes and maximize efficiencies.

Economic, Environmental, and Social Support Initiatives

In times of need, SaskTel recognizes that it's important for us to come together and support our communities, and those most impacted by events unfolding at home and afar. During the COVID-19 pandemic, SaskTel waived data overage charges for business and consumer customers on its postpaid wireless plans. In February 2022, in response to the war in Ukraine, SaskTel also announced that it would waive some fees to ensure that its customers could connect with family and friends most impacted by the situation. Long distance charges for SaskTel wireless, landline and business calls, and international text messaging made from Canada to Ukraine were waived. Roaming charges for calls, texts, and data overages for customers currently in Ukraine were also waived.

With a clear view to the future, SaskTel invested $460.4 million in 2021-22 to strengthen and develop its networks and operations in Saskatchewan. As part of these efforts, SaskTel completed 126 wireless projects, including the construction of 25 new towers, 64 tower capacity additions, as well as the introduction of 5G on 37 towers within its network. With the conclusion of the Wireless Saskatchewan initiative, SaskTel's province-wide network now amounts to over 1,000 separate sites.

In 2021-22, SaskTel contributed $2.9 million to 548 non-profit and charitable organizations, community associations, venues, events, and partnerships in 144 communities throughout the province. In addition, SaskTel TelCare donated $0.2 million to 47 charitable and non-profit organizations across Saskatchewan.

Consistently ranked as one of Canada's greenest employers, SaskTel is proud to have an industry-leading environmental management program aligned to the ISO 14001 standard; however, SaskTel understands that it must also look beyond the walls of its organization to see how it can promote sustainable resource management.

CIC CONSOLIDATED

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Wireless accesses	**647,765**	639,707	624,679	615,471	612,073
Wireline accesses	**273,856**	289,934	308,719	333,643	356,958
Internet and data	**293,221**	289,188	276,460	277,244	278,977
maxTV™ subscribers	**110,192**	114,120	111,382	112,583	110,881
Security monitoring subscribers	**78,707**	81,554	85,948	76,692	72,467
Full-time equivalents	**3,333**	3,422	3,415	3,719	3,880

SaskEnergy

Utilities

2021-22 Financial Results

SaskEnergy is entrusted with a key provincial asset in the natural gas transmission and distribution system and must ensure standards for safety and reliability are maintained. Safe and reliable service has always been a core priority for SaskEnergy and this is especially important as the transition to cleaner energy may cause instability in other areas of the energy sector. SaskEnergy will continue to mature in the progress of addressing its emissions from operations and assisting customers in meeting their own sustainability goals.

With cold weather leaving natural gas storage balances lower than expected, which are to be recovered over the upcoming injection season, and major gas line capacity projects in the province of Alberta experiencing continued delays, energy prices in Western Canada increased. The AECO daily index averaged $3.81 per GJ through the twelve months ending March 31, 2022, representing a large increase from $2.37 per GJ in the prior year.

Sustainability is built in to every decision SaskEnergy makes to provide reliable, affordable energy to customers while also acknowledging their desire for a cleaner energy future.

Net earnings before unrealized market value adjustments were $82.4 million in 2021-22 (2020-21 - $58.5 million), $23.9 million higher than in 2020-21. SaskEnergy implemented a commodity rate increase effective November 1, 2021, to address the increasing natural gas market prices. The rate increase contributed to a higher commodity margin, which was partially offset by higher natural gas costs as the winter period was colder than normal. The colder weather also contributed to additional delivery revenue. Transportation and storage revenue improved in the current fiscal year, a result of rate increases effective April 1, 2021, combined with customers increasing their firm transportation contracts for receipt and delivery services. SaskEnergy also reported a gain from obtaining the title to its head office building in 2021-22.

These positive outcomes were partially offset by decreased customer capital contributions as transmission system customers have reduced their capital expansion programs since 2020-21. Increasing finance expenses, a result of borrowing additional long-term debt to fund capital investment requirements for Saskatchewan customers and to support the province's sustainable economic future, also contributed to the offset.

Stronger natural gas market prices led to the favourable price differential on SaskEnergy's forward purchase contracts, resulting in a $76.0 million favourable fair value adjustment.

2022-23 Outlook

With the provincial economy continuing to recover and an improved outlook for the value-added agricultural sector, potash mining, enhanced oil recovery, and power generation, there is greater potential for increased demand over the next few years. Rising energy and carbon prices present a risk for energy-intensive industries.

The COVID-19 pandemic and other global uncertainties caused material disruption to residents and businesses in Saskatchewan. Supply chain disruptions and social governance obligations will continue to impact SaskEnergy's near- and long-term future. The number of new residential customers connecting to SaskEnergy's distribution system is expected to be 3,000 in 2022-23.

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net earnings	**$ 158.3M**	$ 80.8M	$ 43.5M	$ 165.7M	$ 143.5M
Operating earnings	**$ 82.4M**	$ 58.5M	$ 66.1M	$ 133.3M	$ 110.9M
Dividend declared to CIC	**$ 21.5M**	$ 20.6M	$ 23.1M	$ 60.0M	$ 38.8M
Total assets	**$ 3,516.7M**	$ 3,294.3M	$ 3,221.7M	$ 2,937.7M	$ 2,687.6M
Operating ROE	**5.4%**	5.2%	6.1%	12.9%	12.2%
Debt ratio	**58.5%**	58.3%	57.7%	54.9%	56.1%

With customers continuing to reduce their natural gas consumption by becoming more energy efficient, little-to-no revenue growth from distribution utility customers is anticipated. In 2022-23, net earnings from operations are projected to be $64.5 million, a decrease of $17.9 million from the 2021-22 result. The decrease is primarily due to the gain recognized in 2021-22 as a result of SaskEnergy obtaining the title to its head office building.

Initiatives targeted to support emissions reductions from both internal operations and customer-focused initiatives create cost pressure for SaskEnergy. SaskEnergy continues its focus on operational efficiencies to achieve cost savings through business process improvements, leveraging technology, and collaboration with other Crowns and executive government. Throughout 2022-23, SaskEnergy's $244.6 million in net capital investment in the province will focus on maintaining the safety and reliability of the natural gas transmission and distribution systems, meeting regulatory compliance, and optimizing business systems.

Key Enterprise Risks, Mitigations and Action Plans

Government Climate Policy risk is the possibility that government(s) impose new environmental or operational regulations that impair or restrict operations or prevent further development of SaskEnergy's gas system. Further regulations are likely and may create additional compliance requirements or result in other impacts on the organization. SaskEnergy actively participates and engages with the Government of Saskatchewan's Climate Change Committee to share information and proactively prepare for any upcoming regulatory impacts. SaskEnergy is committed to engaging and collaborating with local municipalities on the future role of natural gas in Saskatchewan.

Interest groups may add risk to SaskEnergy's infrastructure development and maintenance due to public objection from a cultural, safety, environmental, or societal perspective. SaskEnergy's land acquisition and engagement processes focus on addressing the concerns of impacted parties, including Indigenous groups, individual landowners, and other members of the public. These processes continue to adapt with a greater corporate focus on information sharing and more proactive stakeholder engagement at all levels of the organization.

Public acceptance is adding risk to SaskEnergy's growth and system use. The role of fossil fuels in the energy mix is an active and growing public debate nationally and beyond. The number of private and public sector commitments to a net zero future are growing. While the acceptability of natural gas use presently remains high in the local market, there is potential for a shift to occur with either a direct or indirect impact on SaskEnergy. Mitigation efforts include SaskEnergy's energy efficiency programs, which assist customers in meeting their sustainability goals, as well as stakeholder engagement activities focused on enhancing public energy literacy. In addition, internal operational sustainability projects are prioritized, which reduce emissions in line with SaskEnergy's 2030 goal.

Economic, Environmental, and Social Support Initiatives

Sustainability is built in to every decision SaskEnergy makes to provide reliable, affordable energy to customers while also acknowledging their desire for a cleaner energy future. SaskEnergy's commitment to environmental sustainability and economic prosperity for future generations guides SaskEnergy as it strengthens relationships with customers, communities and Indigenous groups, and provides an inclusive, safe working environment for employees.

SaskEnergy takes pride in assisting customers in reducing their emissions and provided an additional $1.2 million in funding toward customer energy efficiency rebates in 2021-22. A total of $2.6 million in rebates were provided to homeowners who purchased high-efficiency space heating systems through the Residential Equipment Replacement Rebate program, while $0.4 million in rebates were provided to businesses who installed energy efficient space heating systems. SaskEnergy assisted 825 income qualified homeowners with free furnace maintenance through its Tune-Up Assistance Program and invested in local communities by supporting 396 programs and events in nearly 200 communities across Saskatchewan.

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Total distribution customers	**405,672**	402,827	399,826	397,367	394,592
Residential average usage (m^3)	**2,677**	2,694	2,631	2,681	2,736
Distribution gas lines (km)	**71,581**	71,305	70,996	70,707	70,180
Transmission gas lines (km)	**15,317**	15,209	15,169	15,090	15,127
Compressor horsepower (HP)	**87,828**	95,308	95,308	88,588	89,141
Peak day gas flows (Petajoules)	**1.65**	1.59	1.55	1.50	1.50
Full-time equivalents	**1,103**	1,082	1,056	1,017	1,028

2021-22 Financial Results

SaskWater provides safe, reliable, and sustainable water services across Saskatchewan. Its strategic priorities include customer focus, growth, operational excellence and innovation, leadership and culture, and corporate reputation.

Net earnings generated in 2021-22 were $8.7 million, compared to $7.4 million in 2020-21. Revenue in the year increased by 3.8 per cent, with a combination of both potable and non-potable water sales making up the majority of the increase. Non-potable water sales were up $1.3 million due to industrial customers' market conditions rebounding in Q3, resulting in higher water usage that bolstered sales over the previous year. Potable water sales were up $1.1 million ($0.7 million net of bulk water purchases) mainly due to the extended hot, dry spring/summer season that Saskatchewan experienced in 2021-22.

Expenses increased by approximately $1.0 million to generate the additional revenue, with $0.4 million of this relating to depreciation on assets in service. Bulk water costs increased $0.6 million, which correlates with the increased potable water sales during the year because of the hot, dry spring/summer season. Additional long-term debt was acquired during the year to fund capital programs, which in turn increased net finance expense.

SaskWater spent $8.8 million in 2021-22 on various capital projects (2020-21 - $17.1 million). The majority of the funds were to support system upgrades and replacements for existing customer communities. Capital investment was lower in 2021-22, as investments to support customer growth and expansion projects were either coming to a close or just in the initial stages of the projects. Total outstanding long and short-term debt used to finance capital projects was $88.4 million at March 31, 2022 (2020-21 - $88.9 million). SaskWater's debt ratio was 49.0 per cent at March 31, 2022 (2020-21 - 49.2 per cent).

2022-23 Outlook

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

SaskWater's focus remains on regionalization. It endeavours to identify areas in the province where communities and their rural neighbours are in need of a new water supply and could work together to find solutions.

Net earnings are expected to be $7.4 million in 2022-23, generating a return on equity of 9.2 per cent and in line with SaskWater's long-term return on equity target of 9.0 per cent. Overall revenues are forecast to be similar to the current year results. Major contributors to the reduction in net earnings from 2021-22 are additional salary costs associated with additional positions required to deliver the services, negotiated wage adjustments, and in range movements. Depreciation is also expected to increase as capital projects are completed and put in service.

Capital expenditures are expected to be $52.7 million in 2022-23 and include significant work on an industrial non-potable system in the Regina area, a new regional municipal system, and continued investments to ensure the safe and reliable operation of various existing systems.

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net earnings	**$ 8.7M**	$ 7.4M	$ 8.4M	$ 7.5M	$ 8.1M
Total assets	**$ 370.6M**	$ 375.2M	$ 372.0M	$ 359.7M	$ 351.9M
Dividends declared to CIC	**$ 6.5M**	$ 6.3M	$ 4.2M	$ 3.7M	$ 2.0M
ROE	**11.2%**	10.9%	11.3%	10.7%	12.5%
Debt ratio	**49.0%**	49.2%	50.0%	46.1%	46.6%

Key Enterprise Risks, Mitigations and Action Plans

The majority of SaskWater's revenues are from resource-based industrial customers and are therefore susceptible to the fluctuations within the resource sector. This is a challenge as many of SaskWater's industrial customers are served through volumetric-based rates. Mitigation strategies in place include minimum purchase requirements, efficiency programs, and cost of service rates. SaskWater is continuing to pursue growth opportunities to diversify its business.

Clarifier at the water treatment plant – Melfort

SaskWater's growth strategy is dependent on the acquisition and operation of municipal, regional, and industrial water and wastewater systems in Saskatchewan. SaskWater's major competitors are municipalities. Increased competition by municipalities may result in the loss of new business opportunities or non-renewal of existing services. Mitigation strategies include a targeted marketing strategy and growth plan, participating in customer engagement activities, and working with larger municipalities to develop regional systems.

Having a positive relationship with SaskWater's employees is critical to the success of the organization and the provision of safe, reliable water and wastewater services to customers. Any changes to the organization that occur due to mandate, corporate decisions, and/or legislative changes could result in a misunderstanding by employees and affect relationships. Mitigation strategies include having a competitive remuneration package, committing to a safe work environment, having a robust employee performance management system, communicating changes in a timely manner, monitoring engagement through surveys, and implementing initiatives to support an engaged workforce.

Economic, Environmental, and Social Support Initiatives

SaskWater is very conscious of the environment and recognizes that water is a critical resource. Its website is an excellent resource for water conservation information with links and printable documents that can be shared with others. SaskWater also minimizes potential water losses by keeping a close eye on its remote monitoring system, which operates around-the-clock, watching for any pressure losses that could indicate leaks or breakages. Facilities are closely monitored as well to ensure optimization of processes and minimize wastewater in the production of potable water.

Power is an important resource in the provision of water services to customers. SaskWater has set an emissions intensity target for 2030 pledging to reduce greenhouse gas (GHG) emissions by 40.0 per cent from 2005 levels. As of 2020, SaskWater has achieved a 42.0 per cent reduction from 2005 levels, with 387 tonnes of GHG emissions per 1.0 million cubic metres of water pumped or treated.

SaskWater's GHG Committee meets regularly to review potential initiatives to reduce GHG emissions. The committee has implemented a number of initiatives, including installing solar panels to increase the use of renewable energy and reduce GHG emissions, replacing inefficient lighting with more efficient LED lighting, implementing a pump optimization program to lower power consumption by reducing average operating pressures in water supply lines, and implementing remote access to facilities for diagnostic and troubleshooting purposes.

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Total customer accounts	**424**	415	415	415	414
Total sales volumes (cubic metres)	**49.2M**	44.2M	45.6M	48.7M	44.7M
Kilometres of potable and non-potable pipeline	**941**	942	942	967	964
Full-time equivalents	**133**	132	129	130	127

CIC CONSOLIDATED

Insurance

2021-22 Financial Results

Corporate transformation is at the heart of SGI CANADA's current strategy. As SGI CANADA navigated its transformation journey throughout 2021-22, it focused on: improving profitability and growth; maintaining a positive customer experience; improving long-term efficiency; maintaining broker satisfaction; and improving change management and leadership effectiveness.

SGI CANADA's operating results for the year were strong, achieving net earnings of $81.8 million (2020-21 - $172.1 million), and a return on equity of 15.8 per cent. The solid financial results were due to a consolidated underwriting income of $52.1 million, which is comparable to the underwriting income experienced in 2020-21. SGI CANADA also experienced strong investment earnings of $32.3 million, which were driven by positive equity and real estate returns.

As an insurance company, SGI CANADA lives at the intersection of value and values. It believes social purpose, mixed with a strong entrepreneurial spirit, is the key to deliver a customer experience that puts people first.

Although SGI CANADA experienced strong operating results in 2021-22, net earnings decreased by $90.3 million from the prior year primarily due to the exceptionally strong investment returns experienced in 2020-21 as a result of the COVID-19 economic recovery.

The Corporation's consolidated Minimum Capital Test of 242 per cent (2020-21 - 242 per cent) is consistent with the target and long-term goal of 242 per cent.

2022-23 Outlook

The Canadian property and casualty insurance industry is highly competitive and continues to experience rapid change driven by technology and other innovations. Technology is leading the way for new and innovative production channels, mobile services, and data-driven processes that can better assess and respond to continuously changing customer expectations.

SGI CANADA embarked on a new strategy, with its sight set on becoming a digital insurer. To achieve this, SGI CANADA is transforming its technology, operations, and culture, placing corporate transformation at the heart of the strategy. To go along with the transformation activities, SGI CANADA recognizes the need to continue to grow and aims to achieve this growth through great customer experiences in partnership with brokers.

SGI CANADA's goal is to achieve $1.2 billion in direct premiums written by the end of the 2022-23 year while continuing with transformation activities. To achieve this, SGI CANADA will continue to focus on four key areas in 2022-23: empowering employees; engaging customers; optimizing operations; and transforming products.

Key Enterprise Risks, Mitigations and Action Plans

On an annual basis, management reviews the key risks faced by SGI CANADA by identifying specific risk events and their potential impact on its operations, finances and reputation.

The risks that represent the most serious threats to SGI CANADA are corporate transformation, organizational change agility, responsiveness to business needs, competition, system availability and recovery,

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net earnings	**$ 81.8M**	$ 172.1M	$ 49.9M	$ 48.0M	$ 59.4M
Dividends declared to CIC	**$ 57.5M**	$ 87.0M	$ 54.2M	$ 12.5M	$ 35.8M
Total assets	**$ 1,982.9M**	$ 1,845.1M	$ 1,664.6M	$ 1,580.5M	$ 1,438.4M
ROE	**15.8%**	37.2%	11.8%	11.8%	15.8%
Minimum Capital Test[1]	**242%**	242%	242%	240%	242%

[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.

SGI employees wear orange shirts and pose in front of a wall with orange hand cutouts, in support of the National Day for Truth and Reconciliation.

information security, acquisition and development of expertise, distribution channels, and culture. These risks represent key areas in SGI's strategic plan, and as such, it has prioritized resources toward key business processes and corporate projects which will mitigate these risks.

Economic, Environmental, and Social Support Initiatives

As an insurance company, SGI CANADA lives at the intersection of value and values. It believes social purpose, mixed with a strong entrepreneurial spirit, is the key to deliver a customer experience that puts people first. Built on heartfelt habits and innovative behaviours, SGI CANADA has been doing its part to build safer, more secure communities for over 75 years.

In 2021-22, SGI CANADA gradually resumed its pre-pandemic operations while continuing to put the safety of both customers and employees first.

To support close to 200 different organizations, clubs, and associations focused on promoting safety and security in our communities, SGI CANADA invested over $0.5 million in sponsorships and in-kind donations. This included safety-related activities organized by the Saskatchewan Trucking Association and Amphibious Response Support Unit, crime prevention programs such as Crime Stoppers, and conservation and flood prevention programs through Ducks Unlimited.

To help support youth, cultural, and diversity groups, SGI CANADA contributed to minor football and curling programs and events, the Saskatchewan Games Council and the Saskatoon Tribal Council - Reconciliation Saskatoon, among many others.

SGI CANADA is also a major sponsor of the Canadian Red Cross, providing funding to assist with their disaster relief efforts related to forest fires, flooding, and other natural disasters across Canada.

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net premiums written	**$ 1,070.1M**	$ 1,010.5M	$ 940.4M	$ 860.9M	$ 745.2M
Number of policies in force	**942,946**	933,216	891,973	846,490	696,635
Number of claims	**105,156**	97,518	109,387	110,891	116,301
Full-time equivalents	**2,180**	2,040	2,045	1,955	1,904

Insurance

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

2021-22 Financial Results

The Saskatchewan Auto Fund (Auto Fund) had a decrease in the Rate Stabilization Reserve of $38.9 million (2020-21 - $283.4 million increase). This decrease is net of the $89.3 million rebate to policy holders that was announced during the year and paid out in May 2022. Excluding the rebate, the Auto Fund generated a profit of $50.4 million.

The Auto Fund's underwriting loss was $179.1 million, compared to $36.5 million last year. The increased loss was primarily related to a $140.8 million increase in claims, a result of more drivers being on the road as the economy opened back up after the COVID-19 related slowdown.

The Auto Fund's investment earnings were $108.7 million, a significant decrease from the $508.5 million earned in the prior year due to the COVID-19 economic recovery. Despite lagging the exceptionally strong market recovery experienced last year, the Auto Fund's portfolio generated positive returns during the period primarily from its equity, real estate, and infrastructure investments.

2022-23 Outlook

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

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

The Auto Fund continues to use campaigns, education, and awareness to address the leading causes of injuries and fatalities on Saskatchewan roads.

The Auto Fund continues to maintain its goal of being within the bottom two provinces when it comes to the cost of insurance and reducing the number of traffic injuries and fatalities. To achieve this, the Auto Fund will continue to focus on four key areas in 2022-23: empowering employees; engaging customers; optimizing operations; and transforming products.

Key Enterprise Risks, Mitigations and Action Plans

The risks that represent the most serious threats to the Auto Fund are corporate transformation, organizational change agility, responsiveness to business needs, system availability and recovery, information security, acquisition and development of expertise, culture, and market value change. Failure to manage any of these risks could lead to significant operational, financial, or reputational damage. These risks represent key areas in SGI and the Auto Fund's strategic plan, and as such, they have prioritized resources toward key business processes and corporate projects which will mitigate these risks.

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net (loss) earnings	**$ (38.9M)**	$ 283.4M	$ (46.7M)	$ 77.5M	$ 210.1M
Total assets	**$ 3,689.1M**	$ 3,713.0M	$ 3,056.7M	$ 3,040.6M	$ 2,865.0M
Minimum Capital Test[1]	**176%**	179%	156%	145%	141%
Rate Stabilization Reserve	**$ 1,051.3M**	$ 1,090.1M	$ 806.7M	$ 853.5M	$ 776.0M

[1] The Minimum Capital Test (MCT) is a capital adequacy test widely used in the insurance industry and indicates capital available to pay claims compared to capital required. The score provided above is the 12-month rolling average score at March 31 of each fiscal year. The Auto Fund long-term target MCT is 140 per cent.

Economic, Environmental, and Social Support Initiatives

In 2021-22, SGI and the Auto Fund gradually resumed their pre-pandemic operations while continuing to put the safety of both customers and employees first. Many services were re-opened to the public in the summer of 2021.

Andrew Cartmell, President and CEO of SGI, and Don Morgan, Minister Responsible for SGI, pose with the MADD award after SGI was named MADD Canada's 2021 Citizen of Distinction.

The Auto Fund continues to use campaigns, education, and awareness to address the leading causes of injuries and fatalities on Saskatchewan roads. To increase traffic safety and reduce collisions, in 2021-22 the Auto Fund:

- Provided $2.6 million in grants to 210 Saskatchewan community projects for road safety improvements through the Provincial Traffic Safety Fund Grant program, administered by SGI;
- Educated newcomers to Canada on safe driving with a New Canadian Traffic Safety Initiative;
- Partnered with Worker's Compensation Board to develop traffic safety education programming for employees and employers who spend a lot of time on the job driving; and
- Began a review of the Class 5 driver education curriculum and motorcycle training standards.

Part of the Auto Fund's work included supporting law enforcement across the province on high-visibility check stops to remove impaired drivers from Saskatchewan's roads. The Auto Fund was awarded the MADD Canada 2021 Citizen of Distinction Award for its ongoing efforts to reduce impaired driving.

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

- Supported ongoing partnerships with five tribal councils representing Indigenous communities across Saskatchewan;
- Provided helmets, ATV and snowmobile safety and instructor certification for northern Indigenous communities and offered car seat safety demonstrations and checks for Indigenous communities through their tribal councils; and
- Posted "Be a Friend For Life" signs with Indigenous artwork in 41 Indigenous communities and Report Impaired Drivers signs in 17 communities across the province.

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net premiums written	**$ 984.1M**	$ 979.2M	$ 952.2M	$ 941.8M	$ 927.6M
Number of licensed drivers	**834,000**	825,000	816,000	815,000	812,000
Number of claims	**121,465**	104,495	119,677	121,933	126,316
Number of injuries per 100,000 population[1]	**388.6**[2]	301.4	358.7	361.9	390.7
Number of fatalities per 100,000 population[1]	**7.4**	7.4	6.0	11.0	8.6

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

[2] Injury data for 2021 is preliminary and may change as collision data continues to be reported.

2021-22 Financial Results

SaskGaming's objectives for 2021-22 focused on a return to more normal operations, following temporary casino closures in 2020-21 and the majority of the first quarter of 2021-22. The casinos re-opened to the public on June 20, 2021, in accordance with direction from Saskatchewan's Chief Medical Health Officer. On July 11, all public health measures were lifted, all employees were recalled from temporary layoff, and Casinos Regina and Moose Jaw began to operate as they had pre-pandemic. This allowed for the opening of the newly renovated Union Station Restaurant + Bar at Casino Regina on July 13, 2021 and the Show Lounge on November 3, 2021.

SaskGaming's operations were again impacted when public health restrictions required masks to be worn at all indoor public spaces as of September 17, 2021 and when proof of vaccination or a recent negative COVID-19 test were required for all guests and employees as of October 1, 2021. These measures were lifted by the end of February 2022. While these measures did impact SaskGaming's operations, operational results remained strong for the year and SaskGaming experienced positive net earnings of $9.5 million, an increase of $22.9 million from the net loss position of $13.4 million in the prior year.

The increase in net earnings was primarily due to an increase in revenue of $46.9 million. This increase was largely a result of longer temporary casino closures in the prior year. The return to more normal operations allowed for increased food and beverage offerings, the return of entertainment events, and expanded table game offerings contributing to increased revenue.

The higher revenue was partially offset by an increase in expenses of $23.9 million due to increased spending across most expense categories as casino operations normalized. In addition, as SaskGaming returned to a net earnings position, payments to the GRF resumed.

During the year, SaskGaming held short-term debt through the GRF in the form of a promissory note for $5.0 million (2020-21 - $5.0 million). The promissory note was repaid on March 17, 2022 and no further financing was required.

SaskGaming does not have share capital but has received equity advances from CIC to form its equity capitalization. SaskGaming received equity advances of $11.7 million in 2021-22 (2021 - $4.0 million) from CIC.

SaskGaming continued to focus on enhancing guest experience through capital investment, with continuation of multi-year property refresh and technology modernization projects. SaskGaming invested a total of $11.5 million (2020-21 - $8.1 million) in capital infrastructure.

SaskGaming continued to focus on enhancing guest experience through capital investment, with continuation of multi-year property refresh and technology modernization projects.

2022-23 Outlook

SaskGaming remains committed to providing excellence in guest experience, while ensuring integrity and social responsibility. SaskGaming will continue to prioritize capital investment in property renovations and gaming technology modernization, with property renovations at Casino Regina expected to conclude with the renovation of the Show Lounge in 2022-23. SaskGaming anticipates that operational results will continue to improve in 2022-23, however the pandemic is expected to continue to impact results. A return to pre-pandemic levels is not anticipated until 2023-24.

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net earnings (loss)	**$ 9.5M**	$ (13.4M)	$ 20.1M	$ 22.5M	$ 23.2M
Dividends declared to CIC	**$ -**	$ -	$ 13.3M	$ 18.0M	$ 18.6M
Total assets	**$ 91.9M**	$ 70.1M	$ 84.1M	$ 78.7M	$ 74.8M
Debt ratio	**5.3%**	15.9%	14.3%	9.3%	10.7%

Union Station Restaurant + Bar at Casino Regina

Key Enterprise Risks, Mitigations and Action Plans

As the pandemic persisted throughout 2021-22 and with the temporary closure of the casinos, business interruption continued to be one of SaskGaming's top risks. To mitigate this risk, a Business Continuity Management Program (BCMP) is maintained to ensure organizational resilience and consists of the on-going monitoring and continuous improvement of the program components. These components consist of an IT disaster recovery plan, pandemic plan, strike contingency plan, crisis communications plan, business continuity plans as well as emergency procedures for Casinos Regina and Moose Jaw. In addition to these plans and procedures, SaskGaming has a cybersecurity action plan in place to mitigate the risk to systems and information security.

As a result of the temporary casino closures, the majority of SaskGaming employees were impacted through layoffs which increased the risk to talent management. SaskGaming needed to ensure it effectively managed employee wellbeing and engagement during these unprecedented times. Initiatives in place to manage this risk included approving wellness, Indigenous employment, and learning strategies. SaskGaming also maintains a succession planning and management framework and offers leadership training programs that will support the leaders within the organization.

Long-term profitability remains a risk for SaskGaming as it operates within a mature gaming market. Expense management and seeking new initiatives have proved effective, but additional revenue sources are required to sustain earnings. To address this risk, SaskGaming has recently signed a partnership agreement with the Saskatchewan Indian Gaming Authority to introduce an online gaming platform that will also offer single-event sports betting.

Economic, Environmental, and Social Support Initiatives

Giving back is integral to SaskGaming's mandate and through its Community Relations program, it contributes approximately one per cent of its net earnings (before payment to the General Revenue Fund) to sponsorships, in-kind supports, and donations. At least 25.0 per cent of those investments are allocated to local Indigenous projects, programs and initiatives.

To help reduce its carbon footprint, SaskGaming has partnered with Greenwave Innovations to review energy usage at Casino Regina. This will allow SaskGaming to save on power costs and support a new Green House Gas emissions target in the balanced scorecard.

Casinos Regina and Moose Jaw also maintain accreditation through the Responsible Gambling Council's (RGC) RG Check Program. The RGC is an independent, non-profit organization dedicated to problem gambling prevention in Canada.

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Guest satisfaction	**78.0%**	-[1]	72.6%	75.5%	78.1%
Full-time equivalents	**377**[2]	254[2]	567	577	583

[1] In 2020-21, the Guest Satisfaction Surveys could not be conducted due to public health orders associated with the COVID-19 pandemic.

[2] The decrease in full-time equivalents is due to temporary employee layoffs during the COVID-19 pandemic casino closures.

CIC CONSOLIDATED

Investment & Economic Growth

2021-22 Financial Results

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

During 2021-22, nine new startup technology companies located at Innovation Place, bringing the total to just over 200 companies since 1993. Of the businesses which started operations at the parks, 131 (64.0 per cent) are still active in Saskatchewan, with 61 of these now operating at locations outside of Innovation Place.

Through the development and operation of the technology parks in Saskatchewan, Innovation Place provides a unique environment that encourages collaboration, innovation, and entrepreneurship.

Net earnings of $1.1 million for the year ended March 31, 2022 were $0.5 million higher than the prior fiscal year. The increase in earnings was due to decreased expenses, partially offset by lower revenue.

Total revenue of $37.2 million decreased by $0.3 million from the prior year. Vacancy at March 31, 2022 was 16.9 per cent, reflecting an increase of 1.9 percentage points when compared to the prior year. This level is consistent with commercial vacancy trends in Regina and Saskatoon. These vacancy rates are driven by the current economic conditions in the province and increased remote work due to the pandemic.

Expenses were $34.5 million (2020-21 - $35.3 million), a decrease of $0.8 million from 2020-21. This was primarily due to a tax reassessment resulting in lower grants-in-lieu of property taxes as well as lower salaries due to staff vacancies.

Investment in capital assets was $4.8 million (2020-21 - $5.8 million), a decrease of $1.0 million from 2020-21. Total debt outstanding at March 31, 2022 was $53.9 million, $1.3 million lower than at March 31, 2021.

2022-23 Outlook

On March 23, 2022, the Government of Saskatchewan announced, as part of the Provincial Budget, the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The alignment of SOCO and Innovation Saskatchewan into a single agency strengthens the province's mandate, and programs, and helps maximize the economic potential of its research infrastructure assets. The change was effective April 1, 2022.

Key Enterprise Risks, Mitigations and Action Plans

The primary risk for SOCO is being unable, with a finite amount of space, to support the growth of existing tenants and the establishment of new tenants. SOCO has addressed this risk by reviewing all tenants' strategic relevance to the core technology clusters to determine whether any space can be made available through the relocation of non-core tenants to other space within the cities. SOCO and the Management Advisory Committees also evaluate

Key Financial Data	2021-22	2020-21	2019-20	2018-19	2017-18
Net earnings	**$ 1.1M**	$ 0.6M	$ 3.0M	$ 3.5M	$ 5.6M
Dividends declared to CIC	**$ 0.9M**	$ 0.6M	$ 2.7M	$ 3.1M	$ 3.1M
Total assets	**$ 189.3M**	$ 192.5M	$ 195.1M	$ 195.8M	$ 199.0M
Capital spending	**$ 4.8M**	$ 5.8M	$ 4.0M	$ 8.4M	$ 18.8M
Debt ratio	**21.4%**	21.8%	22.7%	25.2%	23.3%

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. If the likelihood and impact of this risk increases, it directly affects SOCO's ability to fulfill its mission and potentially decreases the value of the research parks by eroding existing clusters. SOCO continues to make special efforts to retain key strategic tenants.

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

Economic, Environmental, and Social Support Initiatives

The COVID-19 pandemic has had an impact on Innovation Place's operations. Although SOCO's parks have remained open throughout the pandemic, tenants of the parks continued a hybrid model of working in the office and from home. The largest financial impact of COVID-19 for 2021-22 was reduced parking revenue of $0.3 million. SOCO has observed some renewing tenants seeking substantially reduced rates, although the majority have resulted in steady or minimal rate reductions. However, in what may be an anticipation of lower rates in the future, many renewing tenants are insisting on much shorter lease terms.

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

Tenant interactions are important for productive collaboration and are enabled through active programing

Galleria Building, Innovation Place.

by SOCO. A combination of business seminars, social events and other activities are targeted at building tenant capacities, tenant appreciation, and enhancing the community. This supports SOCO's differentiation goals and growth of the ecosystem. Due to the pandemic, SOCO had repositioned tenant programming to virtual formats including webinars, podcasts, and a new series launched for digital consumption. As restrictions and comfort levels changed, SOCO continued transitioning to in-person and hybrid events in the third and fourth quarters. During 2021-22, between Saskatoon and Regina, SOCO delivered 86 programs, attended by over 4,700 people.

Key Operational Data	2021-22	2020-21	2019-20	2018-19	2017-18
Vacancy rates	**16.9%**	15.0%	11.5%	10.9%	9.7%
Number of new startup technology companies locating at Innovation Place	**9**	12	13	11	10
Full-time equivalents	**91**	96	94	95	93

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 the reliability and integrity of the consolidated financial statements with eventual approval of the consolidated financial statements. The Board of Directors is responsible for reviewing the annual consolidated 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 consolidated financial statements. Management's attestation on the adequacy of financial controls appears on the opposite page. The Provincial Auditor of Saskatchewan has reported to the legislative assembly that financial controls are adequately functioning.

KPMG LLP has audited the consolidated financial statements. Their report to the members of the legislative assembly, stating the scope of their examination and opinion on the consolidated financial statements, appears on the following page.

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie
Cindy Ogilvie, CPA, CA
Senior Vice President & CFO

June 23, 2022

Annual Statement of Management Responsibility

I, Kent Campbell, President and Chief Executive Officer of Crown Investments Corporation of Saskatchewan, and I, Cindy Ogilvie, Senior 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, 2022.

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, 2022 were operating effectively and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

On behalf of management:

Kent Campbell, CPA, CMA
President & CEO

Cindy Ogilvie, CPA, CA
Senior Vice President & CFO

June 23, 2022

Independent Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the consolidated financial statements of Crown Investments Corporation of Saskatchewan ("the Entity") which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of income for the year then ended
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises the information, other than the financial statements and the auditors' report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in the annual report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants
June 23, 2022
Regina, Canada

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

	Note	2022	2021
ASSETS			
Current			
Cash and cash equivalents	6	$ **173,442**	$ 334,740
Short-term investments	7	**89,386**	136,320
Short-term investments under securities lending program	7	**107,137**	140,140
Accounts receivable	8(d)	**1,085,208**	1,077,345
Derivative financial assets	8	**157,679**	24,140
Inventories	9	**321,896**	291,513
Prepaid expenses		**277,479**	251,385
Contract assets and costs	10	**96,368**	85,791
Assets held-for-sale	11	**190,172**	3,924
		2,498,767	2,345,298
Investments	7	**1,944,706**	1,934,777
Investments under securities lending program	7	**253,894**	199,772
Contract assets and costs	10	**83,608**	89,506
Investments in equity accounted investees	12	**114,223**	108,860
Property, plant and equipment	13	**15,525,452**	15,038,612
Right-of-use assets	14	**594,187**	646,549
Investment property	15	**-**	166,126
Intangible assets	16	**550,147**	413,910
Other assets		**21,194**	19,475
		$ **21,586,178**	$ 20,962,885
LIABILITIES AND PROVINCE'S EQUITY			
Current			
Bank indebtedness		$ **-**	$ 408
Trade and other payables		**1,122,950**	995,680
Derivative financial liabilities	8	**48,859**	63,188
Notes payable	17	**1,143,752**	814,004
Deferred revenue	18	**620,060**	578,585
Provisions	19	**339,530**	281,904
Lease liabilities	20	**58,564**	50,674
Long-term debt due within one year	21	**256,320**	243,900
Contract liabilities	22	**87,663**	84,757
Liabilities held-for-sale	11	**60,933**	-
		3,738,631	3,113,100
Provisions	19	**939,894**	968,493
Lease liabilities	20	**967,042**	1,011,025
Long-term debt	21	**9,228,180**	9,196,802
Contract liabilities	22	**158,661**	164,905
Employee future benefits	23	**157,609**	239,158
Other liabilities		**45,994**	38,748
		15,236,011	14,732,231
Equity advances	24	**631,889**	808,889
Retained earnings		**5,511,486**	5,300,447
Accumulated other comprehensive income	25	**206,792**	121,318
		6,350,167	6,230,654
		$ **21,586,178**	$ 20,962,885

Commitments and contingencies 26

(See accompanying notes)

On behalf of the Board:

Director

Director

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

	Note	2022	2021
INCOME FROM OPERATIONS	27		
Revenue		**$ 6,199,908**	$ 5,879,336
Other income		**3,672**	8,699
		6,203,580	5,888,035
EXPENSES			
Operating		**3,244,454**	2,886,972
Salaries, wages and short-term employee benefits		**889,766**	876,663
Employee future benefits	23	**72,697**	68,334
Depreciation and amortization	28	**1,004,196**	957,827
Loss on disposal of property, plant and equipment		**7,346**	35,012
Impairment losses (recoveries)	29	**981**	(33,894)
Provision for (recovery of) decommissioning and environmental remediation liabilities	19	**5,149**	(15,484)
Saskatchewan taxes and fees	30	**172,676**	154,513
		5,397,265	4,929,943
RESULTS FROM OPERATING ACTIVITIES		**806,315**	958,092
Finance income	31	**112,665**	237,157
Finance expenses	31	**(570,117)**	(617,376)
NET FINANCE EXPENSES		**(457,452)**	(380,219)
Share of net earnings from equity accounted investees	12	**11,115**	6,929
NET EARNINGS FROM CONTINUING OPERATIONS		**359,978**	584,802
Net earnings from discontinued operations	11	**1,061**	619
NET EARNINGS		**$ 361,039**	$ 585,421

CIC CONSOLIDATED

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

	Note	2022	2021
NET EARNINGS		**$ 361,039**	$ 585,421
OTHER COMPREHENSIVE (LOSS) INCOME FROM CONTINUING OPERATIONS			
Items that may be reclassified subsequently to net earnings:			
Unrealized losses on sinking funds	7(a)	**(53,010)**	(37,477)
Unrealized gains on cash flow hedges		**56,805**	12,142
Amounts amortized to net earnings and included in finance income		**459**	459
Items that will not be reclassified to net earnings:			
Impact of changes in actuarial assumptions on defined benefit pension plans	23	**139,923**	(129,483)
Impact of changes in actuarial assumptions on other defined benefit plans	23	**1,329**	(2,199)
(Loss) return on pension plan assets (excluding interest income)	23	**(60,032)**	137,279
		85,474	(19,279)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 446,513**	$ 566,142
OTHER COMPREHENSIVE LOSS FROM DISCONTINUED OPERATIONS			
Items that may be reclassified subsequently to net earnings:			
Unrealized losses on sinking funds	11	**276**	159
TOTAL COMPREHENSIVE INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$ 446,789**	$ 566,301

(See accompanying notes)

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

	Attributable to the Province of Saskatchewan			
	Equity Advances	Retained Earnings	Accumulated Other Comprehensive Income (Note 25)	Total Equity
Balance at April 1, 2020	$ 808,889	$ 4,865,026	$ 140,597	**$ 5,814,512**
Total comprehensive income (loss)	-	585,421	(19,279)	**566,142**
Dividends to the GRF	-	(150,000)	-	**(150,000)**
Balance at March 31, 2021	**$ 808,889**	**$ 5,300,447**	**$ 121,318**	**$ 6,230,654**
Balance at April 1, 2021	**$ 808,889**	**$ 5,300,447**	**$ 121,318**	**$ 6,230,654**
Total comprehensive income	-	361,039	85,474	**446,513**
Dividends to the GRF	-	(150,000)	-	**(150,000)**
Equity repayments to the GRF	(177,000)	-	-	**(177,000)**
Balance at March 31, 2022	**$ 631,889**	**$ 5,511,486**	**$ 206,792**	**$ 6,350,167**

(See accompanying notes)

CIC CONSOLIDATED

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

	Note		2022		2021
OPERATING ACTIVITIES					
Net earnings		**$**	**361,039**	$	585,421
Adjustments to reconcile net earnings to cash from operating activities	32(a)		**1,419,152**		1,351,943
			1,780,191		1,937,364
Net change in non-cash working capital balances related to operations			**236,786**		31,788
Income taxes paid			**(18,868)**		(11,099)
Interest paid			**(528,411)**		(562,372)
Net cash from operating activities			**1,469,698**		1,395,681
INVESTING ACTIVITIES					
Interest received			**24,588**		25,967
Dividends received			**170**		822
Purchase of investments			**(1,224,470)**		(1,123,192)
Proceeds from sale and collection of investments			**1,094,688**		1,046,593
Purchase of property, plant and equipment			**(1,421,642)**		(1,155,539)
Costs from sale of property, plant and equipment			**(2,635)**		(16,154)
Purchase of intangible assets			**(211,721)**		(59,834)
Purchase of investment property			**(4,514)**		(5,493)
Decrease in other assets			**236**		551
Net cash used in investing activities			**(1,745,300)**		(1,286,279)
FINANCING ACTIVITIES	32(b)				
Increase (decrease) in notes payable			**346,976**		(635,557)
Increase in other liabilities			**3,536**		6,363
Debt proceeds from the GRF			**331,086**		996,362
Debt repayments to the GRF			**(243,900)**		(439,369)
Debt repayments to other lenders			**-**		(3,048)
Principal repayment of lease liabilities			**(50,300)**		(44,569)
Sinking fund installments			**(93,791)**		(92,912)
Sinking fund redemptions			**164,917**		188,352
Equity advances repaid to the GRF			**(177,000)**		-
Dividends paid to the GRF			**(150,000)**		(150,000)
Net cash from (used in) financing activities			**131,524**		(174,378)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR			**(144,078)**		(64,976)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR			**334,332**		399,308
CASH AND CASH EQUIVALENTS, END OF YEAR			**190,254**		334,332
CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS, END OF YEAR	11		**(16,812)**		-
CASH AND CASH EQUIVALENTS FROM CONTINUING OPERATIONS, END OF YEAR		**$**	**173,442**	$	334,332
Cash and cash equivalents consists of:					
Cash and cash equivalents	6	**$**	**173,442**	$	334,740
Bank indebtedness			**-**		(408)
		$	**173,442**	$	334,332

(See accompanying notes)

Crown Investments Corporation of Saskatchewan
Notes to Consolidated Financial Statements
March 31, 2022

1. General information

Crown Investments Corporation of Saskatchewan (CIC) is a corporation domiciled and incorporated in Canada. The address of CIC's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. The consolidated financial statements of CIC comprise CIC and its subsidiaries (collectively referred to as "CIC" or "the Corporation") and the Corporation's interest in associates, joint ventures and joint operations with principal activities as described in Note 4(a).

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements were authorized for issue by the Board of Directors on June 23, 2022.

b) Basis of measurement

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

- Inventory at lower of cost and net realizable value (Note 4(c)).
- Financial instruments that are accounted for according to the categories defined in Note 4(i).
- Certain prepaid expenses for property and casualty insurance are discounted at expected future cash flows (Note 4(l)).
- Provisions discounted at expected future cash flows (Note 19).
- Employee future benefits are recognized at the fair value of plan assets less the present value of the accrued benefit obligation (Note 23).

c) Functional and presentation currency

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

d) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant items subject to estimates and assumptions include the carrying amounts of property, plant and equipment (Note 13, 28 and 29), right-of-use assets (Note 14), lease liabilities (Note 20), intangible assets (Note 16, 28 and 29), investment property (Note 15, 28 and 29), provisions (Note 19), accounts receivable (Note 8(d)), inventories (Note 9), investments (Note 7 and 29), contract assets and costs (Note 10), contract liabilities (Note 22) and investments in equity accounted investees (Note 12), the underlying estimations of useful lives of depreciable assets (Note 28), the fair value of financial instruments (Note 8), the carrying amounts of employee future benefits including underlying actuarial assumptions (Note 23), and the measurement of commitments and contingencies (Note 26).

2. Basis of preparation *(continued)*

e) Use of judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies. Significant items subject to judgement are included in the accounting policies listed in Note 4.

3. Application of revised accounting standards

The Corporation did not adopt any amendments to standards resulting in material impacts to the consolidated financial statements.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements except as described in Note 3. The accounting policies have been consistently applied by CIC's subsidiaries.

a) Basis of consolidation

Subsidiaries

Saskatchewan provincial Crown corporations are either designated as subsidiary Crown corporations of CIC or created as CIC Crown corporations under *The Crown Corporations Act, 1993* (the Act). The Act assigns specific financial and other responsibilities regarding these corporations to CIC.

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

Separate audited financial statements for CIC have been prepared to show the financial position and results of operations of the corporate entity. In addition, audited financial statements for each of the undernoted Crown corporations, which are consolidated in these financial statements, are prepared and released publicly:

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

4. Significant accounting policies *(continued)*

Associates and joint ventures (investments in equity accounted investees)

Associates are those entities in which the Corporation has significant influence, but not control over strategic financial and operating decisions. Significant influence is presumed to exist when the Corporation holds between 20.0 and 50.0 per cent of the voting power of another entity.

Joint ventures are those entities over whose activities the Corporation has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions, and provide the Corporation with rights to the net assets of the arrangement.

Associates and joint ventures are accounted for using the equity method and are recognized initially at cost. The Corporation's investment includes any goodwill identified at acquisition, net of accumulated impairment losses.

The consolidated financial statements include the Corporation's share of the total comprehensive income and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Corporation, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Corporation's share of losses exceeds its interest in equity accounted investees, the carrying amount of that interest is reduced to Nil and the recognition of further losses is discontinued except to the extent that the Corporation has an obligation or has made payments on behalf of the investee.

Joint operations

i) Totnes Natural Gas Storage Facility (Totnes)

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

ii) International CCS Knowledge Centre

The Corporation has a 50.0 per cent interest in the BHP Billiton SaskPower International Carbon Capture and Storage (CCS) Knowledge Centre. This not-for-profit corporation was established to advance the understanding and use of CCS as a means of managing greenhouse gas emissions and to further research projects as agreed upon by its members from time to time. The operations are fully funded by BHP Canada Inc. as per the sponsorship funding agreement which has been extended to December 31, 2026.

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 held-for-resale, including natural gas in storage held-for-resale, are valued at the lower of weighted average cost and net realizable value. Net realizable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale. Net realizable value for natural gas inventory is determined using natural gas market prices based on anticipated delivery dates. Natural gas in storage held-for-resale is charged to inventory when purchased and expensed as sold.

Other supplies inventories are valued at the lower of weighted average cost and net realizable value. Replacement cost is used as management's best estimate of the net realizable value for other supplies inventory. In establishing the appropriate provision for supplies inventory obsolescence, management estimates the likelihood that supplies inventory on hand will become obsolete due to changes in technology. Other supplies are charged to inventory when purchased and expensed or capitalized when used.

d) Contract assets, costs and liabilities

A contract asset is recognized when the Corporation's right to consideration from the transfer of products or services to a customer is conditional on the obligation to transfer other products or services. Contract assets are reclassified as accounts receivable when the right to consideration becomes conditional only as to the passage of time, typically consistent with the pattern of delivery of the related goods or services. A contract liability is recognized when consideration is received in advance of the transfer of products or services to the customer. Contract liabilities are recognized in revenue upon satisfaction of the related performance obligations. Contract assets and liabilities relating to the same contract are presented on a net basis. Amortization is recognized in net earnings consistent with the pattern of delivery of the related goods and services, ranging from two to four years.

Incremental costs of obtaining a contract with a customer are recognized on the Consolidated Statement of Financial Position. The costs are principally composed of sales commissions and prepaid contract fulfillment costs. Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services which is typically between two and 10 years.

e) Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition or construction of the asset. The cost of self-constructed assets includes materials, services, direct labour, directly attributable overheads, and other costs directly attributable to preparing the asset for its intended use. Interest costs associated with major capital and development projects are capitalized during the construction period at the weighted average cost of long-term borrowings. Assets under construction are recorded as in progress until operational and available for use, at which time they are transferred to property, plant and equipment.

Costs are recognized as an asset if it is probable that economic benefits associated with the item will flow to the Corporation and the cost can be reliably measured. Significant renewals and enhancements to existing assets are capitalized only if the useful life of the asset is increased, physical output, service capacity or quality is improved above original design standards, or operating costs are reduced by a substantial and quantifiable amount that can be reliably measured. The cost of maintenance, repairs, renewals or replacements which do not provide benefits into the future are charged to operating expense as incurred.

4. Significant accounting policies *(continued)*

Significant parts of an item of property, plant and equipment that have different useful lives are accounted for as separate items of property, plant and equipment.

When property, plant and equipment is disposed of or retired, the related costs less accumulated depreciation and impairment losses are eliminated from the accounts. Any resulting gains or losses are reflected in net earnings in the period of disposal.

f) Depreciation of property, plant and equipment

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual amount. Depreciation is recorded primarily on the straight-line basis over the useful life of each asset as follows:

Machinery and equipment	3 - 110 years
Buildings and improvements	3 - 75 years
Coal properties and rights	0 - 55 years

The useful life and depreciation method are reviewed periodically to ensure consistency with the expected pattern of economic benefits from these assets. Right-of-use assets are depreciated over the lease term.

g) Intangible assets

Finite-life intangibles

Finite-life intangible assets, acquired individually, with a group of other assets, or through the Corporation's authorized dealers are measured at cost of acquisition or development less accumulated amortization and accumulated impairment losses and may include direct development costs and overhead costs directly attributable to the development activity.

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 one 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.

4. Significant accounting policies *(continued)*

h) Investment property

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

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

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

i) Financial instruments

The Corporation classifies its financial instruments into one of the following categories: fair value through profit or loss; amortized cost; and fair value through other comprehensive income.

Financial assets and liabilities are offset and the net amount reported on the Consolidated Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Classification and measurement

All financial instruments are measured at fair value on initial recognition. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments at fair value through profit or loss in which case the transaction costs are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument (Note 8).

i) Financial instruments at fair value through profit or loss

The Corporation classifies cash and cash equivalents, derivative financial assets and liabilities that do not qualify as a hedge and are not designated as a hedge, certain investments, and bank indebtedness as financial instruments at fair value through profit or loss. Financial instruments classified as fair value through profit or loss are subsequently measured at fair value with changes in fair value recognized in net earnings.

ii) Financial instruments at amortized cost

The Corporation classifies accounts receivable, certain investments, trade and other payables, notes payable and long-term debt as amortized cost. Amortized cost financial instruments are subsequently measured at amortized cost using the effective interest method, less any provision for impairment losses on financial assets.

iii) Financial instruments at fair value through other comprehensive income

The Corporation classifies sinking funds as fair value through other comprehensive income. Financial instruments classified as fair value through other comprehensive income are subsequently measured at fair value with changes in fair value recognized in other comprehensive income.

4. Significant accounting policies *(continued)*

Investments under securities lending program

Securities lending transactions are entered into on a collateralized basis. The securities lent are not derecognized on the Consolidated Statement of Financial Position given that the risks and rewards of ownership are not transferred from the Corporation to the counterparties in the course of such transactions. The securities are included in the Consolidated Statement of Financial Position on the basis that the counterparties may resell or re-pledge the securities during the time that the securities are in their possession.

Securities received from counterparties as collateral are not included in the Consolidated Statement of Financial Position given that the risks and rewards of ownership are not transferred from the counterparties to the Corporation in the course of such transactions.

Structured settlements

In the normal course of insurance claim adjudication, the Corporation settles certain long-term claims losses through the purchase of annuities under structured settlement arrangements with life insurance companies. As the Corporation does not retain any interest in the related insurance contract and obtains a legal release from the claimant, any gain or loss on the purchase of the annuity is recognized in net earnings at the date of the purchase and the related claims liabilities are derecognized.

However, the Corporation remains exposed to the credit risk that the life insurance companies may fail to fulfill their obligations (Note 8(f)(iii)).

Derivative instruments

The Corporation utilizes a variety of derivative instruments to manage its exposure to interest rate, electricity and natural gas price risk. The terms and conditions of certain financial and non-financial derivative financial instrument contracts require the Corporation to provide collateral when the fair value of the obligation pursuant to these contracts is in excess of exposure limits granted. When posted, these collateral amounts are recognized as margin deposits on derivative contracts and are included with accounts receivable.

In order to qualify for hedge accounting, the Corporation designates derivatives as hedges through formal documentation of all relationships between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking the hedge transaction. This process includes linking derivatives to specific assets and liabilities or to specific firm commitments or forecast transactions. At the hedge's inception and on an ongoing basis, the Corporation formally assesses whether the derivatives used are highly effective in offsetting changes in cash flows of the hedged item and the timing of the cash flows is similar.

The Corporation may enter into forward contracts to hedge exposures to anticipated changes in commodity prices on forecasted natural gas purchases related to the Corporation's power purchase agreements (PPAs) and bond forward agreements to hedge exposures to anticipated changes in interest rates on certain forecasted issuances of long-term debt. The Corporation has chosen to designate these contracts as cash flow hedges. The Corporation assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. The Corporation applies a hedge ratio of 1:1. As such, the effective portion of the changes in fair value related to the derivative financial instruments have been recognized in other comprehensive income, with the fair value being recognized as derivative financial assets or liabilities on the Consolidated Statement of Financial Position. Ineffective portions of hedges are recorded in profit or loss immediately. When the natural gas forward agreements are settled, the resulting gain or loss recorded in accumulated other comprehensive income is

4. Significant accounting policies *(continued)*

recognized in net earnings immediately. When the bond forward agreements expire upon the issuance of long-term debt, the resulting gain or loss recorded in accumulated other comprehensive income is amortized to net earnings over the term of the debt. If no debt is issued, the gain or loss is recognized in net earnings immediately.

Derivative instruments not designated as a hedge are classified as fair value through profit or loss and are recorded at fair value in the Consolidated Statement of Financial Position in current assets or current liabilities, as described in Note 8, commencing on the trade date. The change in the fair value is recorded in net earnings and classified within the revenue or expense category to which it relates. The revenue and expense categories impacted are described in Note 8(b).

Certain commodity contracts for the physical purchase of natural gas qualify as own-use contracts. The Corporation entered into these contracts for the purpose of physical receipt of the natural gas in accordance with its own expected usage requirements for the generation of electricity and sales requirements for commodity customers. As such, these non-financial derivative contracts are not recorded at fair value on the Consolidated Statement of Financial Position; rather, the contracts are accounted for as a purchase at the time of delivery.

Derivatives may be embedded in hybrid contracts that also include a non-derivative host. If a hybrid contract contains a host that is a financial asset within the scope of IFRS 9, the entire contract is classified as a financial asset. If a hybrid contract contains a host that is not an asset within the scope of IFRS 9, an embedded derivative is treated as a separate derivative when: the economic characteristics and risks are not clearly and 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 with changes in fair value recognized in profit or loss. These embedded derivatives are typically measured at fair value with subsequent changes recognized in net earnings.

The Corporation utilizes natural gas sales contracts with embedded derivatives for non-regulated contract sales to large end-use customers.

j) Impairments

Financial assets

The Corporation recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost and on debt instruments designated as fair value through other comprehensive income (FVOCI). The Corporation measures loss allowances for accounts receivables at an amount equal to lifetime ECL. Debt instruments and other receivables that are determined to have low credit risk at the reporting date are measured at 12-month ECL. The Corporation considers a debt instrument to have low credit risk when its credit risk rating is A or higher (investment grade).

When determining whether the credit risk of a financial asset has increased, the Corporation performs a quantitative and qualitative analysis based on the Corporation’s historical experience and forward-looking information. The Corporation assumes that the credit risk on a financial asset has increased significantly if it is between 30-120 days past due. The Corporation considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Corporation in full, without recourse by the Corporation to actions such as realizing security.

4. Significant accounting policies *(continued)*

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and recognized in net earnings. For debt instruments at FVOCI, the loss allowance is charged to net earnings and is recognized in other comprehensive income (OCI). The gross carrying amount of a financial asset is written off to the extent that there is no realistic prospect of recovery.

Non-financial assets

The carrying amounts of non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU"). The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro-rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

k) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain. Provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money and the risks specific to the obligation or at the best estimate to settle the obligation at the end of the reporting period. The unwinding of the discount on provisions is recognized as finance expenses.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Decommissioning provisions

A decommissioning provision is a legal or constructive obligation associated with the decommissioning of a long-lived asset. The Corporation recognizes decommissioning provisions in the period incurred if a reasonable estimate of fair value (net present value) can be determined. The Corporation recognizes provisions to decommission coal generation facilities, natural gas generation facilities, cogeneration facilities, wind generation facilities, telecommunication towers, antennae, and fuel storage tanks in the period in which the facilities are commissioned.

4. Significant accounting policies *(continued)*

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.

l) Revenue

Natural gas sales and delivery

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

The Corporation has the exclusive right to distribute natural gas within the province of Saskatchewan. A delivery service contract generates revenue from the transportation of natural gas to customers. Delivery revenue is recognized when natural gas is transferred to customers at their meter point and the performance obligation is satisfied.

4. Significant accounting policies *(continued)*

The transaction price is allocated to natural gas sales and delivery service based on the applicable rates derived through the review process with the Saskatchewan Rate Review Panel. An estimate of natural gas delivered, but not billed, is included in net earnings.

The Corporation also uses its access to natural gas markets to execute sales with offsetting purchases of natural gas to generate margins. Forward natural gas sales are recognized at fair value until the contract is realized into revenue at the point in time the contract becomes due.

Natural gas transportation and storage

In transportation and storage services, the performance obligation is satisfied when the transportation and storage services are complete and billed monthly. An estimate of transportation, storage and related services rendered, but not billed, is included in net earnings.

Electricity

Revenues from contracts with customers are derived from the generation, transmission, distribution, purchase and sale of electricity and related products and services. Contracts are evaluated to determine if they meet the definition of a contract with a customer at the inception of the contract and on an ongoing basis if there is an indication of significant changes in facts and circumstances. Revenue is measured based on the transaction price specified in a contract with a customer. Revenue is also recognized when control over a promised good or service is transferred to the customer and the Corporation is entitled to consideration as a result of completion of the performance obligation.

A contract liability is recorded when the Corporation receives consideration before the performance obligations have been satisfied. A contract asset is recorded when the Corporation has rights to consideration for the completion of a performance obligation when that right is conditional on something other than the passage of time. The Corporation recognizes unconditional rights to consideration separately as a receivable. Contract assets and receivables are evaluated at each reporting period to determine whether there is any objective evidence that they are impaired.

Significant judgment may be required to identify the number of distinct performance obligations within a contract and the allocation of the transaction price to multiple performance obligations in a contract, and to determine when performance obligations have been satisfied.

Electricity sales contracts are deemed to have a single performance obligation as the promise to transfer individual goods or services is not separately identifiable from other obligations in the contracts and therefore not distinct. These performance obligations are satisfied over time as electricity is delivered because of the continuous transfer of control to the customer. The method of revenue recognition for the electricity is an output method, which is based on the volume delivered to the customer and includes an estimate of electricity deliveries not yet billed at year end. Electricity export sales are recognized upon delivery to the customer and include an estimate of electricity deliveries not yet billed at year end.

Electricity trading revenues are reported on a net basis upon delivery of electricity to the customers and receipt of electricity purchased from external parties. Electricity trading contracts are recorded at fair value.

4. Significant accounting policies *(continued)*

Telecommunications

Telecommunications revenue is measured based on the value of the expected consideration in a contract with a customer and excludes sales taxes and other amounts collected on behalf of third parties. Revenue is recognized when control of a product or service is transferred to a customer. When the Corporation's right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, the Corporation recognizes revenue in the amount to which the Corporation has a right to invoice.

For multiple element arrangements, the Corporation accounts for individual products and services when they are separately identifiable, and the customer can benefit from the product or service on its own. The total arrangement consideration is allocated to each product or service included in the contract with the customer based on its stand-alone selling price. Stand-alone selling prices are generally determined based on the observable prices at which the Corporation sells products separately without a service contract and prices for non-bundled service offerings with the same range of services, adjusted for market conditions and other factors, as appropriate. When similar products and services are not sold separately, the Corporation uses the expected cost plus margin approach to determine stand-alone selling prices. Products and services purchased by a customer in excess of those included in the bundled arrangement are accounted for separately.

Wireless revenue is principally generated from providing integrated digital wireless voice and data communications products and services to residential and business customers. For wireless products and services that are sold separately, customers usually pay in full at the point of sale for products and on a monthly basis for services. For wireless products and services sold in multiple element arrangements, customers pay monthly over a contract term of up to 24 months for residential customers and up to 36 months for business customers.

Revenue is also generated from providing data, including internet access and internet protocol television, local telephone, long distance and connectivity, security services and other communications services and products to residential and business customers. Revenue also includes amounts from the Corporation's wholesale business, which sells telecommunication services from or to resellers and other carriers. Revenue is recognized in the period earned, as services are provided, based on access to the Corporation's facilities. Services are paid for monthly except where a billing schedule has been established. Payments received in advance are recorded as contract liabilities and recognized as revenue upon satisfaction of the related performance obligation.

Product revenue from the sale of equipment is recognized when a customer takes possession of the product. Service revenue is recognized over time, as the services are provided. Revenue on certain long-term contracts is recognized using output methods based on products delivered, performance completed to date, time elapsed or milestones met. For multiple element arrangements, stand-alone selling prices are determined using observable prices adjusted for market conditions and other factors, as appropriate, or the expected cost plus margin approach for customized business arrangements.

Property and casualty insurance

The Corporation's property and casualty insurance policies have all been classified upon inception as insurance contracts. An insurance contract is a contract that transfers significant insurance risk and, upon the occurrence of the insured event, causes the insurer to make a benefit payment to the insured party. The sale of policies generates premiums written and are recorded in revenue over the terms of the related policies, no longer than twelve months. The portion of the policy premiums relating to the unexpired term of each policy is recorded as an unearned insurance premium (Note 18).

At the end of each period, a liability adequacy test is performed to validate the adequacy of unearned insurance premiums and deferred policy acquisition costs (included in prepaid expenses on the Consolidated Statement of Financial Position). A premium deficiency would exist if unearned insurance premiums are deemed insufficient

4. Significant accounting policies *(continued)*

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. The Corporation has entered into an agreement with the Saskatchewan Indian Gaming Authority to provide online gaming services in Saskatchewan. The online gaming platform will be provided by a third party and is expected to be operating in fiscal 2022-23.

The Corporation's Gaming segment suspended operations on March 16, 2020 due to the COVID-19 pandemic. Under the Re-open Saskatchewan Plan, Casinos Regina and Moose Jaw reopened on July 9, 2020. The casinos operated following the public health guidelines and restrictions until December 19, 2020, when public health advice again required the closure of Casinos Regina and Moose Jaw. On June 20, 2021, the casinos reopened with capacity restricted to 150 people at each property. Capacity restrictions were lifted on July 11, 2021 and the segment continues to operate at full capacity.

Customer contributions

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

Customer contribution contracts for natural gas and electricity services are deemed to have a single performance obligation. These performance obligations are satisfied at a point in time and recognized in net earnings. The customer contributions are recognized initially as contract liabilities and are recognized into net earnings once the related property, plant and equipment is available for use. The transaction price is the estimated construction charge for the connection. These customer contributions are often subject to refunds over a specified period. An estimate of these refunds remains in deferred revenue until the eligible refund period expires.

Customer contributions received from water and wastewater customers are recognized initially as contract liabilities when there is reasonable assurance that they will be received and the Corporation will comply with the conditions associated with the customer contract. The contributions are then recognized into net earnings on a systematic basis over the life of the related customer contract. If there is no customer contract in place, the contributions are recognized into revenue on a systematic basis over the life of the related assets.

Other

Revenue from sales of other products is recognized when goods are shipped and title has passed to the customer or based on the right to revenue pursuant to contracts with customers, tenants and clients.

m) Government grants

Conditional government grants are initially measured at fair value and recognized as other liabilities provided that there is reasonable assurance that the grant will be received and the Corporation will comply with the

4. Significant accounting policies *(continued)*

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.

Defined benefit pension plan

A defined benefit pension plan is a post-employment benefit plan in which the Corporation's net obligation is calculated by estimating the discounted amount of future benefit that employees have earned in return for service in the current and prior periods and deducting the fair value of plan assets.

The calculation of the net defined benefit pension obligation or asset is performed annually by qualified actuaries using the projected unit credit method. When the calculation results in a potential asset, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the defined benefit pension plans or reductions in future contributions to the pension plans. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit pension obligation or asset are comprised of actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the asset ceiling (if any, excluding interest), and are recognized immediately in OCI. The net interest expense (income) on the net defined benefit pension plan obligation or asset is determined by applying the discount rate used to measure the defined benefit pension plan obligation or asset at the beginning of the period, to the net defined benefit pension plan obligation or asset, taking into account any changes in the net defined pension plan obligation or asset during the period as a result of contributions and benefit payments. Net interest expense related to the defined benefit pension plans is recognized immediately in net earnings as part of finance expenses.

When the benefits of the defined benefit pension plans are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in net

4. Significant accounting policies *(continued)*

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 qualified actuaries using the projected unit credit method. Remeasurements, consisting of actuarial gains and losses, are recognized immediately in OCI. Net interest expense on the other defined benefit obligation is recognized immediately in net earnings as part of finance expenses.

The Corporation has not established a trust nor does it hold property for the specific purpose of providing benefits to the participants of these plans. Benefits are funded by the current operations of the Corporation.

p) Short-term employee benefits

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

q) Finance income and expenses

Finance income comprises sinking fund earnings, interest income on investments at fair value through profit or loss, gains on sale of investments at fair value through profit or loss, changes in fair value of financial assets at fair value through profit or loss, and interest income from defined benefit pension plans.

Finance expenses comprise interest expense on financial liabilities measured at amortized cost, changes in the fair value of financial assets at fair value through profit or loss, accretion expense on provisions less interest capitalized, interest costs on defined benefit pension plans and other defined benefit plans, and amounts amortized to net earnings from accumulated other comprehensive loss. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset form part of the cost of that asset, with a corresponding decrease in financing expenses.

On the Consolidated Statement of Cash Flows, interest paid is classified as an operating activity, interest received is classified as an investing activity, dividends received are classified as an investing activity and dividends paid are classified as a financing activity.

r) Leases

A contract contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation has assessed its arrangements to determine whether they contain a lease.

Right-of-use assets are initially measured at an amount equal to the lease liability and are adjusted for any payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the related lease term. The Corporation has applied judgment to determine the lease term for

4. Significant accounting policies *(continued)*

contracts that include renewable options. The assessment of whether the Corporation is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized (Notes 14 and 20).

The corresponding lease liability is measured at the present value of the lease payments that are not paid at commencement and are discounted using the Corporation's incremental borrowing rate or the rate implicit in the lease. Each lease payment is allocated between the liability and interest to achieve a constant rate on the finance balance outstanding. The interest component is included in finance expense. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the Corporation's estimate or assessment of whether it will exercise an extension, termination, or purchase option. A compensating adjustment is made to the right-of-use asset or is recorded in net earnings if the carrying amount of the right-of-use asset has been reduced to zero (Notes 14 and 20).

Payments for short-term and low value leases are recognized as an operating expense. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset and are recognized as an expense in the period in which the event or condition that triggers that payment occurs.

s) Assets and liabilities held-for-sale and discontinued operations

Assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale or transfer 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, 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.

A discontinued operation is a component of the Corporation's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held-for-sale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale if earlier. When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Income and Statement of Comprehensive Income is reclassified as if the operation had been discontinued from the start of the comparative year (Note 11).

t) New and amended accounting standards not yet adopted

Certain new and amended standards were issued by the International Accounting Standards Board (IASB) and/or International Financial Reporting Interpretations Committee that are not yet effective for the year ended March 31, 2022.

IFRS 17, *Insurance Contracts*

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

4. Significant accounting policies *(continued)*

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

The primary features of the standard that would be applicable to the Corporation's property and casualty insurance contracts include the following:

- The concept of a portfolio, which is composed of groups of contracts covering similar risks and managed together as a single pool.
- The concept of a group, which is composed of sets of contracts with similar profitability issued within the same year.
- The loss component of onerous contracts measured based on projected profitability will be recognized in net earnings as soon as insurance contracts are issued.
- Insurance liabilities will be discounted at a rate that reflects the characteristics of the liabilities (rather than a rate based on asset returns) and the duration of each portfolio. The effect of the changes in discount rates will be recorded either in net earnings or in other comprehensive income, according to the accounting policy choice made by the Corporation.
- The Corporation's various insurance related assets and liabilities will be presented together by portfolio on a single line in the Consolidated Statement of Financial Position called insurance contract assets or liabilities. The Corporation's various reinsurance assets and liabilities will be presented together by portfolio on a single line in the Consolidated Statement of Financial Position called reinsurance contract assets or liabilities.
- Insurance results will be presented without the impact of discounting. Amounts relating to financing and changes in discount rates will be shown separately.
- Additional disclosures will provide information on the recognized amounts from insurance contracts and the nature and extent of risks arising from these contracts.

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

5. Status of CIC

CIC was established by Order in Council 535/47 dated April 2, 1947 and is continued under the provisions of *The Crown Corporations Act, 1993*. CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain associates, joint ventures, joint operations and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

6. Cash and cash equivalents

(thousands of dollars)

	Note		2022		2021
Cash		**$**	**160,414**	$	307,756
Short-term investments			**29,840**		26,984
			190,254		334,740
Cash held-for-sale	11		**(16,812)**		-
		$	**173,442**	$	334,740

The weighted average interest rate for short-term investments included in cash and cash equivalents at March 31, 2022 was 0.7 per cent (2021 - 0.2 per cent).

7. Investments

(thousands of dollars)

	Note		2022		2021
Short-term investments					
Short-term investments - fair value through profit or loss		**$**	**71,289**	$	129,604
Loans receivable - amortized cost			**247**		658
Bonds and debentures - amortized cost			**17,850**		6,058
		$	**89,386**	$	136,320
Portfolio investments					
Portfolio investments - fair value through profit or loss		**$**	**492,386**	$	481,420
Bonds, debentures and loans receivable					
Bonds and debentures - fair value through profit or loss			**426,800**		339,595
Bonds and debentures - amortized cost			**23,800**		-
Loans receivable - amortized cost			**8,881**		9,810
			459,481		349,405
Sinking funds - fair value through other comprehensive income (a)			**998,156**		1,103,952
			1,950,023		1,934,777
Sinking funds held-for-sale (a)	11		**(5,317)**		-
		$	**1,944,706**	$	1,934,777

7. Investments *(continued)*

		2022		2021
Securities lending program (b)				
Short-term investments				
Short-term investments - fair value through profit or loss	**$**	**107,137**	$	140,140
Portfolio investments				
Portfolio investments - fair value through profit or loss	**$**	**-**	$	5,623
Bonds and debentures				
Bonds and debentures - fair value through profit or loss		**253,894**		194,149
	$	**253,894**	$	199,772

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

	Note		2022		2021
Sinking funds, beginning of year		**$**	**1,103,952**	$	1,198,312
Installments			**93,791**		92,912
Earnings			**18,340**		38,557
Redemptions			**(164,917)**		(188,352)
Unrealized losses			**(53,010)**		(37,477)
Sinking funds, end of year			**998,156**		1,103,952
Sinking funds held-for-sale	11		**(5,317)**		-
		$	**992,839**	$	1,103,952

Sinking fund installments due in each of the next five years are as follows (thousands of dollars, excluding sinking funds held-for-sale):

2023	$ 94,381
2024	92,547
2025	92,047
2026	90,530
2027	88,780

b) Through its custodian, the Corporation participates in an investment securities lending program for the purpose of generating fee income. While in the possession of counterparties, the loaned securities may be resold or repledged by such counterparties. At March 31, 2022, the Corporation held collateral of $379.1 million (2021 - $356.9 million) for the loaned securities.

8. Financial and insurance risk management

Financial risk management

The Corporation is exposed to market risk (power generation, natural gas sales, equity prices, sinking funds, foreign exchange rates, and interest rates), credit risk, and liquidity risk. The Corporation utilizes a number of financial instruments to manage market risk. The Corporation mitigates these risks through policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to senior management and the Board.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are estimates using present value and other valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk.

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, including assets and liabilities held-for-sale)

		2022		2021	
Financial Instruments	**Classification**	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	FVTPL	**$ 190,254**	**$ 190,254**	$ 334,740	$ 334,740
Accounts receivable	AC	**1,087,094**	**1,087,094**	1,077,345	1,077,345
Derivative financial assets	FVTPL	**157,679**	**157,679**	24,140	24,140
Investments	FVTPL	**1,351,506**	**1,351,506**	1,290,531	1,290,531
Investments - sinking funds	FVOCI	**998,156**	**998,156**	1,103,952	1,103,952
Investments	AC	**50,778**	**50,778**	16,526	16,497
Financial Liabilities					
Bank indebtedness	FVTPL	**-**	**-**	408	408
Trade and other payables	AC	**1,127,133**	**1,127,133**	995,680	995,680
Derivative financial liabilities	FVTPL	**48,859**	**48,859**	63,188	63,188
Notes payable	AC	**1,160,992**	**1,160,992**	814,004	814,004
Long-term debt	AC	**9,521,184**	**9,905,047**	9,440,702	10,595,738

		2022		2021	
Derivative Instruments	Classification	**Asset**	**(Liability)**	Asset	(Liability)
Physical natural gas contracts	FVTPL	**$ 121,052**	**$ (36,173)**	$ 17,994	$ (8,137)
Natural gas price swaps	FVTPL	**36,627**	**(12,187)**	6,146	(55,051)
Foreign exchange forward contracts	FVTPL	**-**	**(499)**	-	-
		$ 157,679	**$ (48,859)**	$ 24,140	$ (63,188)

Classification details are:

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

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

a) Fair value hierarchy

Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 - Unadjusted quoted prices for identical assets or liabilities are readily available from an active market. The Corporation defines an active market based on the frequency of valuation, any restrictions or illiquidity on disposition of the underlying asset or liability, and trading volumes.
Level 2 - Inputs, other than quoted prices included in level 1, that are observable either directly or indirectly.
Level 3 - Inputs are not based on observable market data.

The Corporation's financial instruments (including assets and liabilities held-for-sale) are categorized within this hierarchy as follows (thousands of dollars):

	2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 190,254**	**$ -**	**$ -**	**$ 190,254**
Notes payable	**1,160,992**	**-**	**-**	**1,160,992**
Investments - FVTPL	**267,912**	**859,120**	**224,474**	**1,351,506**
Investments - FVOCI	**-**	**998,156**	**-**	**998,156**
Investments - AC	**-**	**50,778**	**-**	**50,778**
Long-term debt	**-**	**9,905,047**	**-**	**9,905,047**
Physical natural gas contracts - net	**-**	**84,879**	**-**	**84,879**
Natural gas price swaps - net	**-**	**24,440**	**-**	**24,440**
Foreign exchange forward contracts - net	**-**	**(499)**	**-**	**(499)**

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

CIC CONSOLIDATED

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

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

		2022		2021
Balance, beginning of year	**$**	**206,163**	$	195,633
Unrealized gains (losses) attributable to assets held at the end of the year included in impairment losses		**4,696**		(1,488)
Purchases		**26,496**		21,220
Sales		**(12,881)**		(9,202)
Balance, end of year	**$**	**224,474**	$	206,163

During the year, no investments were transferred between levels.

Investments carried at fair value through profit or loss

i) Categorized as level 2

Investments carried at fair value through profit and loss and categorized as level 2 in the hierarchy include sinking funds, bonds, and debentures.

The fair value of sinking funds is determined by the Saskatchewan Ministry of Finance, using a market approach, with information provided by investment dealers. To the extent possible, valuations reflect indicative secondary pricing for these securities. In all other circumstances, valuations are determined with reference to similar actively traded instruments.

The fair value of bonds and debentures is derived from market price data for same or similar instruments obtained from the investment custodian, investment managers or dealer markets.

ii) Categorized as level 3

Determining fair value for the Corporation's level 3 investments, which are not publicly traded and recorded at fair value through profit or loss, requires application of professional judgement and use of estimates. Significant assumptions used by the Corporation to estimate include the timing and amount of future cash flows, anticipated economic outlook for the investee's industry, impact of pending or potential regulation or legislation, forecast consumer tastes, emergence of substitute products, anticipated fluctuations in commodities prices, and macro-economic demand.

Significant aspects of professional judgement include selecting an appropriate valuation approach, determining a range of appropriate risk-adjusted rates of return for a series of cash flows, and assessing the risk inherent in cash flows, the probabilities of micro and macro-economic variables occurring, and probabilities of potentially significant company, industry, or economic factors occurring or failing to occur as the case may be.

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

Level 3 includes a pooled mortgage fund and a pooled real estate fund. The fair value of these investments is based on the Corporation's share of the net asset value of the respective fund, as determined by its investment manager, and used to value purchases and sales of units in the investments. The fair value for the pooled mortgage fund is determined based on market values of the underlying mortgage investments, calculated by discounting scheduled cash flows through to the estimated maturity of the mortgages (using spread-based pricing over Government of Canada bonds with a similar term to maturity), subject to adjustments for liquidity and credit risk. The fair value of the pooled real estate fund is determined based on the most recent appraisals of the underlying properties. Real estate properties are appraised semi-annually by external, independent professional real estate appraisers who are accredited through the Appraisals Institute of Canada. Real estate appraisals are performed in accordance with generally accepted appraisal standards and procedures and are based primarily on the discounted cash flow and income capitalization methods.

Where evidence of a recent arm's length transaction has occurred in the shares of an unlisted equity position held by the Corporation, the Corporation considers such a transaction to generally provide a good indication of fair value. Where a recent arm's length transaction has not occurred, or secondary indicators exist which would question the applicability of a recent transaction, the Corporation considers alternative valuation methodologies. These methods are primarily focused on the projected earnings or cash flows of the business, discounted to present value by applying a discount rate which appropriately reflects industry and company specific risk factors.

In circumstances where fair value cannot be estimated reliably, a level 3 investment is reported at the carrying value at the previous reporting date unless there is evidence that the investment has since been impaired. All recorded values of investments are reviewed at each reporting date for any indication of impairment and adjusted accordingly.

Long-term debt

The fair value of long-term debt is determined using an income approach. Fair values are estimated using the present value of future cash flows, discounted at the market rate of interest for the equivalent Province of Saskatchewan debt instruments.

Derivative financial assets and liabilities

The fair value of electricity-related derivatives, physical natural gas contracts and natural gas price swaps are determined using a market approach. The Corporation obtains quoted market prices from sources such as the New York Mercantile Exchange, the Natural Gas Exchange, independent price publications, and over-the-counter broker quotes. Where contract prices are referenced to an index price that has been fixed, the market price has been used to estimate the contract price.

Other financial assets and liabilities

Other financial assets and liabilities including accounts receivable and trade and other payables have not been classified in the fair value hierarchy given that carrying value approximates fair value due to immediate or short-term maturity.

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

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

	2022	2021
Revenue	**$ (30,324)**	$ (3,002)
Operating expenses	**105,346**	20,458
Increase in net earnings	**$ 75,022**	$ 17,456

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 PPAs that have a cost component based on the market price of natural gas. As at March 31, 2022, 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:

2023	39.0%	2027	20.0%
2024	36.0%	2028	11.0%
2025	31.0%	2029	4.0%
2026	27.0%	2030	2.0%

As at March 31, 2022, the Corporation held the following instruments to hedge exposures to changes in natural gas price risk:

	1 year	**1-5 years**	**More than 5 years**
Natural gas hedges			
Net exposure - gain (millions)	$ 17.0	$ 8.0	$ -
Total outstanding gigajoules (GJ) (millions)	11.0	24.0	-
Weighted average hedged price per GJ	$ 3.65	$ 3.24	$ -
Weighted average forward market price per GJ	$ 5.24	$ 3.61	$ -

Based on the Corporation’s year-end closing positions, a $1 per GJ increase in natural gas prices would have increased net earnings, through an increase in the fair value of natural gas derivative instruments, by $32.0 million (2021 - $46.0 million). Conversely a $1 per GJ decrease would have decreased net earnings by $32.0 million (2021 - $46.0 million). 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, 2022.

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

Natural gas sales

The Corporation purchases natural gas for resale to its customers. While natural gas is purchased at fluctuating market prices, the Corporation sells natural gas to customers at a fixed commodity rate that is reviewed semi-annually. As part of its natural gas price risk management, the Corporation uses derivative instruments to manage the price of the natural gas it buys. The Corporation's objective is to reduce the volatility of natural gas prices and to have natural gas rates that are competitive to other utilities. The Corporation also purchases and sells natural gas in the open market to generate incremental net earnings through its natural gas marketing activities.

The purchase or sale price of natural gas may be fixed within the contract or referenced to a floating index price. When the price is referenced to a floating index price, natural gas derivative instruments may be used to fix the settlement amount. The types of natural gas derivative instruments the Corporation may use for price risk management include natural gas price swaps, options, swaptions, and forward contracts.

The Corporation's commodity price risk management strategy establishes specific hedging targets, which may differ depending on current market conditions, to guide natural gas risk management activities. Additionally, the Corporation uses mark-to-market value, value at risk (VaR), and net exposure to monitor natural gas price risk.

Based on the Corporation's year-end closing positions, a $1 per GJ increase in natural gas prices would have increased net earnings, through an increase in the fair value of natural gas derivative instruments, by $50.0 million (2021 - $29.0 million). Conversely, a $1 per GJ decrease would have decreased net earnings by $50.0 million (2021 - $29.0 million).

Equity price risk

The Corporation is exposed to changes in equity prices in Canadian and global markets. The fair value of these equities at March 31, 2022 was $267.9 million (2021 - $284.2 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).

		2022		2021
Asset Class				
(thousands of dollars)				
Canadian equities	**+/-**	**$ 23,203**	+/-	$ 12,444
Global equities	**+/-**	**44,667**	+/-	36,532
Global small cap equities	**+/-**	**9,972**	+/-	11,197

CIC CONSOLIDATED

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

Interest rate risk

The Corporation is exposed to interest rate risk arising from fluctuations in interest rates on short-term and long-term debt. Interest rate risk is managed by having an appropriate mix of fixed and floating rate debt. When deemed appropriate, the Corporation may use derivative financial instruments to manage interest rate risk. A change in interest rates of 1.0 per cent would have a $9.8 million impact on net earnings (2021 - $6.0 million).

The Corporation has on deposit with the GRF, under the administration of the Saskatchewan Ministry of Finance, $998.2 million (2021 - $1,104.0 million) in sinking funds (including sinking funds held-for-sale) required for certain long-term debt issues. At March 31, 2022, the Ministry of Finance 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, 2022, a change in interest rates of 1.0 per cent would have a $71.8 million impact on the fair value of the sinking funds (2021 - $83.3 million).

The Corporation is exposed to changes in interest rates in its fixed income investments, including short-term investments, bonds, debentures, and pooled mortgage investments. It is estimated that a change in investment interest rates of 1.0 per cent would have a $23.0 million impact on net earnings (2021 - $20.8 million). The impact that a change in interest rates has on investment income would be partially offset by the impact the change in interest rates has on discounting of insurance claims incurred. It is estimated that a change in discounting interest rates of 1.0 per cent would have a $17.3 million impact on net earnings (2021 - $16.6 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, 2022. A 10.0 per cent change in the Canadian dollar versus the U.S. dollar exchange rate would have a $5.5 million impact on net earnings (2021 - $11.5 million).

d) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Corporation does not have material concentrations of credit risk given that the majority of accounts receivable are diversified among many residential, farm and commercial customers primarily throughout Saskatchewan.

In addition, the Corporation maintains credit policies and limits to mitigate credit risk related to short-term investments, bonds, debentures, loans, notes receivable, leases receivable and counterparties to derivative instruments.

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

The carrying amount of financial assets (including assets held-for-sale) represents the maximum credit exposure as follows (thousands of dollars):

		2022		2021
Cash and cash equivalents	**$**	**190,254**	$	334,740
Short-term investments		**196,523**		276,460
Accounts receivable		**1,087,094**		1,077,345
Derivative financial assets		**157,679**		24,140
Investments - FVTPL		**1,173,080**		1,020,787
Investments - FVOCI		**998,156**		1,103,952
Investments - AC		**32,681**		9,810
	$	**3,835,467**	$	3,847,234

The allowance for doubtful accounts, which provides an indication of potential impairment losses, is reviewed quarterly based on an analysis of the aging of accounts receivable and an estimate of outstanding amounts that are considered to be uncollectible. Historically, the Corporation has not written off a significant portion of its accounts receivable balances. Amidst the current economic conditions resulting from the COVID-19 pandemic, the Corporation has implemented additional measures to monitor its counterparties for changes in their ability to meet obligations.

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

		2022		2021
Allowance for doubtful accounts				
Opening balance	**$**	**71,517**	$	49,990
Less: Accounts written off and other		**(19,598)**		(17,336)
Recoveries		**1,328**		4,545
Provision for losses		**8,132**		34,318
Ending balance	**$**	**61,379**	$	71,517

	Note		**2022**		2021
Accounts receivable					
Current		**$**	**1,021,699**	$	992,095
30-59 Days			**33,503**		26,372
60-89 Days			**10,953**		13,243
Greater than 90 Days			**82,318**		117,152
Gross accounts receivable			**1,148,473**		1,148,862
Allowance for doubtful accounts			**(61,379)**		(71,517)
Net accounts receivable			**1,087,094**		1,077,345
Accounts receivable held-for-sale	11		**(1,886)**		-
		$	**1,085,208**	$	1,077,345

CIC CONSOLIDATED

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

e) Liquidity risk

Liquidity risk is the risk that the Corporation is unable to meet its financial commitments as they become due. CIC is a provincial Crown corporation and as such has access to capital markets through the GRF. The Corporation, through its diversified holdings and capital allocation and dividend policies, can allocate resources to ensure that all financial commitments made are met.

Where necessary, the Corporation can borrow funds from the GRF, adjust dividend rates, obtain or make grants, or be provided with or provide equity injections to manage liquidity issues.

The following summarizes the contractual maturities of the Corporation's financial liabilities (including liabilities held-for-sale) at March 31, 2022 (thousands of dollars):

	Carrying Amount	**Total**	**0-6 Months**	**7-12 Months**	**1-2 Years**	**3-5 Years**	**More than 5 Years**
Long-term debt[1]	**$ 9,521,184**	**$ 16,079,137**	**$ 381,954**	**$ 173,635**	**$ 500,410**	**$ 1,677,038**	**$13,346,100**
Trade and other payables	**1,127,133**	**1,127,133**	**1,127,133**	**-**	**-**	**-**	**-**
Derivative financial liabilities[2]	**48,859**	**71,959**	**48,845**	**11,853**	**5,001**	**7,413**	**(1,153)**
Other liabilities[3]	**1,954,353**	**1,918,255**	**1,415,148**	**115,986**	**112,515**	**152,094**	**122,512**
	$ 12,651,529	**$ 19,197,478**	**$ 2,974,074**	**$ 301,474**	**$ 617,926**	**$ 1,836,545**	**$13,467,459**

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, 2021 (thousands of dollars):

	Carrying Amount	Total	0-6 Months	7-12 Months	1-2 Years	3-5 Years	More than 5 Years
Long-term debt[1]	$ 9,440,702	$ 16,159,318	$ 129,384	$ 435,984	$ 605,874	$ 1,816,729	$ 13,171,347
Trade and other payables	995,680	995,680	995,680	-	-	-	-
Derivative financial liabilities[2]	63,188	62,081	71,241	(3,433)	(4,064)	(1,663)	-
Other liabilities[3]	1,501,719	1,463,411	1,019,846	99,958	95,428	138,598	109,581
	$ 12,001,289	$ 18,680,490	$ 2,216,151	$ 532,509	$ 697,238	$ 1,953,664	$ 13,280,928

[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, 2022 and March 31, 2021, the Corporation has provided no collateral for these contracts.
[3] Other liabilities include: bank indebtedness, notes payable, provision for unpaid insurance claims (Note 19), amounts due to reinsurers (Note 18) and premium taxes payable (Note 18).

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 about 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 several 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 19) (thousands of dollars):

	Gross		Reinsurance Recoverable		Net	
	2022	2021	**2022**	2021	**2022**	2021
Automobile	**$ 323,332**	$ 284,334	**$ 9,522**	$ 6,308	**$ 313,810**	$ 278,026
Property	**250,940**	209,130	**41,118**	12,985	**209,822**	196,145
Liability	**124,023**	97,254	**1,814**	1,880	**122,209**	95,374
Discount	**23,501**	38,551	**1,065**	870	**22,436**	37,681
Assumed	**2,328**	2,378	**-**	-	**2,328**	2,378
Other	**16,175**	14,826	**-**	-	**16,175**	14,826
	$ 740,299	$ 646,473	**$ 53,519**	$ 22,043	**$ 686,780**	$ 624,430

	Gross		Reinsurance Recoverable		Net	
	2022	2021	**2022**	2021	**2022**	2021
Saskatchewan	**$ 336,096**	$ 292,953	**$ 42,572**	$ 8,956	**$ 293,524**	$ 283,997
Alberta	**187,835**	162,229	**2,905**	4,487	**184,930**	157,742
Ontario	**154,685**	146,519	**4,691**	5,203	**149,994**	141,316
British Columbia	**34,257**	19,854	**187**	155	**34,070**	19,699
Manitoba	**26,158**	23,583	**3,164**	3,242	**22,994**	20,341
Maritimes	**1,268**	1,335	**-**	-	**1,268**	1,335
	$ 740,299	$ 646,473	**$ 53,519**	$ 22,043	**$ 686,780**	$ 624,430

CIC CONSOLIDATED

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

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

2022

	Automobile	Personal Property	Commercial Property	Liability	Total
Saskatchewan	**$ 196,742**	**$ 351,510**	**$ 82,798**	**$ 44,829**	**$ 675,879**
Alberta	**94,614**	**76,450**	**13,353**	**11,866**	**196,283**
Ontario	**91,684**	**28,794**	**10,045**	**8,421**	**138,944**
British Columbia	**-**	**59,957**	**9,410**	**3,865**	**73,232**
Manitoba	**-**	**34,459**	**17,289**	**6,644**	**58,392**
	$ 383,040	**$ 551,170**	**$ 132,895**	**$ 75,625**	**$ 1,142,730**

2021

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

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):

	2022	2021
Dwelling and farm property	**$ 1,750**	$ 1,750
Unlicensed vehicles	**1,750**	1,750
Commercial property	**1,750**	1,750
Automobile and general liability	**1,750**	1,750

In addition, the Corporation carries property and auto physical damage catastrophe reinsurance limiting combined exposure to $20.0 million per event (2021 - $20.0 million) subject to an annual aggregate deductible of $20.0 million (2021 - $20.0 million).

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

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, 2022, 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, 2022 is $62.8 million (2021 - $65.4 million). The net risk to the Corporation is the credit risk related to the life insurance companies that the annuities are purchased from. No defaults have occurred, and the Corporation considers the possibility of default to be remote.

g) Actuarial risk

The establishment of the provision for unpaid insurance claims (Note 19) is based on known facts and an interpretation of circumstances and is therefore a complex process influenced by a variety of factors. Measurement of the provision is uncertain due to claims that are not reported to the Corporation at year-end and therefore estimates are made as to the value of these claims. As well, uncertainty exists regarding the cost of reported claims that have not been settled, as all the necessary information may not be available at year-end.

The significant assumptions used to estimate the provision include: the Corporation's experience with similar cases, historical claim payment trends and claim development patterns, the characteristics of each class of business, claim severity and claim frequency, the effect of inflation on future claim settlement costs, court decisions and economic conditions. Time is also a critical factor in determining the provision, since the longer it takes to settle and pay a claim, the more variable the ultimate settlement amount will be. Accordingly, short-term claims such as physical damage or collision claims tend to be more reasonably predictable than long-term claims such as liability claims.

As a result, the establishment of the provision for unpaid claims relies on several factors, which necessarily involves risk that the actual results may differ materially from the estimates.

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**	**2022**	2021	**2022**	2021
Discount rate	1.0 per cent increase	**$ (17,315)**	$ (16,619)	**$ (5,381)**	$ (3,576)
Discount rate	1.0 per cent decrease	**17,315**	16,619	**5,381**	3,576

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.

CIC CONSOLIDATED

9. Inventories

(thousands of dollars)

	Note	2022	2021
Raw materials		**$ 279,370**	$ 243,117
Natural gas in storage held-for-resale		**18,949**	21,984
Finished goods		**20,000**	25,861
Work-in-progress		**3,608**	551
		321,927	291,513
Inventories held-for-sale	11	**(31)**	-
		$ 321,896	$ 291,513

For the year ended March 31, 2022, $646.3 million (2021 - $459.4 million) of natural gas in storage held-for-resale, and $536.7 million (2021 - $445.9 million) of raw materials inventory and other inventory were consumed. The Corporation recognized a $0.5 million recovery of natural gas in storage held-for-resale, raw materials and other inventory (2021 - $7.8 million).

10. Contract assets and costs

(thousands of dollars)

	Contract assets	Contract costs	Total
Balance at April 1, 2021	**$ 98,963**	**$ 76,334**	**$ 175,297**
Recognized in the current year	98,162	21,876	**120,038**
Amortization	(86,118)	(21,875)	**(107,993)**
Terminations	(7,205)	(932)	**(8,137)**
Impairment recovery	771	-	**771**
Balance at March 31, 2022	**104,573**	**75,403**	**179,976**
Current	**(76,257)**	**(20,111)**	**(96,368)**
Non-current	**$ 28,316**	**$ 55,292**	**$ 83,608**

	Contract assets	Contract costs	Total
Balance at April 1, 2020	$ 83,889	$ 75,084	$ 158,973
Recognized in the current year	101,563	22,495	124,058
Amortization	(79,250)	(20,374)	(99,624)
Terminations	(6,547)	(871)	(7,418)
Impairment	(692)	-	(692)
Balance at March 31, 2021	98,963	76,334	175,297
Current	(66,567)	(19,224)	(85,791)
Non-current	$ 32,396	$ 57,110	$ 89,506

11. Assets and liabilities held-for-sale and discontinued operations

(thousands of dollars)

On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. The change was effective April 1, 2022. Subsequent to year end, CIC received $93.5 million for its investment and no gain was recognized on the transaction. SOCO's assets, liabilities, and earnings have been classified as held-for-sale and discontinued operations.

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

		2022		2021
Cash and cash equivalents	**$**	**16,812**	$	-
Accounts receivable		**1,886**		-
Inventories		**31**		-
Prepaid expenses		**532**		-
Long-term investments		**5,317**		-
Property, plant and equipment		**1,768**		3,924
Right-of-use assets		**566**		-
Investment property		**162,502**		-
Other assets		**758**		-
Assets held-for-sale	**$**	**190,172**	$	3,924

		2022		2021
Trade and other payables	**$**	**4,183**	$	-
Notes payable		**17,240**		-
Deferred revenue		**2,261**		-
Current portion of lease liabilities		**304**		-
Long-term portion of lease liabilities		**261**		-
Long-term debt		**36,684**		-
Liabilities held-for-sale	**$**	**60,933**	$	-

CIC CONSOLIDATED

11. Assets and liabilities held-for-sale and discontinued operations *(continued)*

The impact of discontinued operations on net earnings was comprised of the following (thousands of dollars):

	2022	2021
Revenue	**$ 37,192**	$ 37,502
Operating expenses	**12,413**	11,868
Salaries, wages and short-term employee benefits	**8,442**	8,710
Employee future benefits	**532**	538
Depreciation and amortization	**8,771**	9,299
Impairment recoveries	**-**	(34)
Saskatchewan taxes and fees	**4,385**	4,950
	34,543	35,331
Results from operating activities	**2,649**	2,171
Finance income	**189**	225
Finance expenses	**(1,777)**	(1,777)
Net finance expenses	**(1,588)**	(1,552)
Net earnings from discontinued operations	**1,061**	619
Unrealized loss on sinking funds	**(276)**	(159)
Total comprehensive income from discontinued operations attributable to the Province of Saskatchewan	**$ 785**	$ 460

The impact of discontinued operations on cash flows was comprised of the following (thousands of dollars):

	2022	2021
Cash provided by operating activities	**$ 7,796**	$ 10,851
Cash used in investing activities	**(4,417)**	(5,689)
Cash used in financing activities	**(3,645)**	(4,330)
Net change in cash and cash equivalents	**$ (266)**	$ 832

12. Investments in equity accounted investees

(thousands of dollars)

Associates and Joint Ventures

	Principal Place of Business	Reporting Date	Ownership Interest 2022	Ownership Interest 2021	Carrying Value 2022	Carrying Value 2021
ISC (a)	Canada	December 31	**31.0%**	31.0%	**$ 114,223**	$ 108,860

	2022	2021
Current assets	**$ 47,352**	$ 53,485
Non-current assets	**410,288**	411,318
Current liabilities	**(32,162)**	(25,185)
Non-current liabilities	**(57,012)**	(88,456)
Net assets	**368,466**	351,162
Interest owned by other entities	**(254,243)**	(242,302)
Share of net assets	**$ 114,223**	$ 108,860

	2022	2021
Revenue	**$ 177,052**	$ 146,440
Expenses	**(140,447)**	(123,362)
Net earnings	**36,605**	23,078
Other comprehensive (loss) income	**(750)**	(723)
Total comprehensive income	**35,855**	22,355
Interest owned by other entities	**(24,740)**	(15,426)
Share of results	**$ 11,115**	$ 6,929

a) The Corporation is associated with ISC, which provides registry and information services in Saskatchewan. The fair value of ISC shares was $134.8 million at March 31, 2022 (2021 - $133.4 million). The shares are publicly traded under the Toronto Stock Exchange under the symbol ISV.

13. Property, plant and equipment

(thousands of dollars)

	Machinery and Equipment	Buildings and Improvements	Plant Under Construction	Land, Coal Properties and Rights	Total
Cost					
Balance at April 1, 2020	$ 22,021,310	$ 2,537,039	$ 537,986	$ 326,475	**$ 25,422,810**
Additions	830,487	119,196	1,142,192	8,602	**2,100,477**
Disposals	(313,504)	(12,819)	(5,370)	(1,591)	**(333,284)**
Transfers (a)	(10,968)	-	(944,638)	-	**(955,606)**
Balance at March 31, 2021	**$ 22,527,325**	**$ 2,643,416**	**$ 730,170**	**$ 333,486**	**$ 26,234,397**
Additions	1,124,349	102,564	1,359,900	15,619	**2,602,432**
Disposals	(200,331)	(8,090)	(1,843)	(6,262)	**(216,526)**
Transfers (a)	(5,783)	16,023	(1,233,999)	-	**(1,223,759)**
Balance at March 31, 2022	**$ 23,445,560**	**$ 2,753,913**	**$ 854,228**	**$ 342,843**	**$ 27,396,544**
Accumulated Depreciation					
Balance at April 1, 2020	$ 9,701,612	$ 896,977	$ -	$ 38,549	**$ 10,637,138**
Depreciation expense	752,670	68,838	-	3,264	**824,772**
Disposals	(253,216)	(8,698)	-	(58)	**(261,972)**
Transfers (a)	(4,394)	-	-	-	**(4,394)**
Impairment losses	-	241	-	-	**241**
Balance at March 31, 2021	**$ 10,196,672**	**$ 957,358**	**$ -**	**$ 41,755**	**$ 11,195,785**
Depreciation expense	781,678	77,836	-	3,418	**862,932**
Disposals	(178,092)	(3,632)	-	(44)	**(181,768)**
Transfers (a)	(6,395)	-	-	-	**(6,395)**
Impairment losses	-	538	-	-	**538**
Balance at March 31, 2022	**$ 10,793,863**	**$ 1,032,100**	**$ -**	**$ 45,129**	**$ 11,871,092**
Carrying Amounts					
At March 31, 2021	$ 12,330,653	$ 1,686,058	$ 730,170	$ 291,731	$ 15,038,612
At March 31, 2022	**$ 12,651,697**	**$ 1,721,813**	**$ 854,228**	**$ 297,714**	**$ 15,525,452**

a) Transfers to/from assets held-for-sale, right-of-use-assets, investment property, intangibles, and/or within categories of property, plant and equipment.

14. Right-of-use assets

(thousands of dollars)

	Machinery and Equipment	Buildings and Improvements	Land, Coal, Properties and Rights	Power Purchase Agreements	Total
Cost					
Balance at April 1, 2020	$ 31,398	$ 74,364	$ 16,128	$ 1,017,108	**$ 1,138,998**
Additions	8,359	10,702	494	-	**19,555**
Retirements and adjustments	(1,821)	(1,399)	(274)	-	**(3,494)**
Balance at March 31, 2021	**$ 37,936**	**$ 83,667**	**$ 16,348**	**$ 1,017,108**	**$ 1,155,059**
Additions	5,709	15,393	3,868	-	**24,970**
Transfers (a)	(4,424)	-	-	-	**(4,424)**
Retirements and adjustments	(1,342)	(19,022)	265	-	**(20,099)**
Balance at March 31, 2022	**$ 37,879**	**$ 80,038**	**$ 20,481**	**$ 1,017,108**	**$ 1,155,506**
Accumulated Depreciation					
Balance at April 1, 2020	$ 8,922	$ 14,585	$ 1,370	$ 418,971	**$ 443,848**
Depreciation expense	6,457	11,412	1,428	48,035	**67,332**
Retirements and adjustments	(1,555)	(1,024)	(91)	-	**(2,670)**
Balance at March 31, 2021	**$ 13,824**	**$ 24,973**	**$ 2,707**	**$ 467,006**	**$ 508,510**
Depreciation expense	6,541	11,163	1,447	48,035	**67,186**
Transfers (a)	(2,743)	-	-	-	**(2,743)**
Retirements and adjustments	(1,119)	(10,479)	(36)	-	**(11,634)**
Balance at March 31, 2022	**$ 16,503**	**$ 25,657**	**$ 4,118**	**$ 515,041**	**$ 561,319**
Carrying Amounts					
At March 31, 2021	$ 24,112	$ 58,694	$ 13,641	$ 550,102	$ 646,549
At March 31, 2022	**$ 21,376**	**$ 54,381**	**$ 16,363**	**$ 502,067**	**$ 594,187**

a) Transfers to/from assets held-for-sale, property, plant, and equipment, investment property, intangibles, and/or within categories of right-of-use assets.

CIC CONSOLIDATED

15. Investment property

(thousands of dollars)

	Buildings	Infrastructure	Leasehold Improvements	Property Under Construction	Total
Cost					
Balance at April 1, 2020	$ 193,079	$ 63,986	$ 36,938	$ 2,259	$ **296,262**
Additions	4,275	214	190	814	**5,493**
Transfers (a)	(121)	-	-	-	**(121)**
Balance at March 31, 2021	**$ 197,233**	**$ 64,200**	**$ 37,128**	**$ 3,073**	**$ 301,634**
Additions	1,345	36	633	2,500	**4,514**
Transfers (a)	(198,578)	(64,236)	(37,761)	(5,573)	**(306,148)**
Balance at March 31, 2022	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Accumulated Depreciation					
Balance at April 1, 2020	$ 84,707	$ 26,593	$ 14,997	$ 725	**$ 127,022**
Depreciation expense	5,057	1,751	1,833	-	**8,641**
Impairment recoveries	-	-	-	(34)	**(34)**
Transfers (a)	(121)	-	-	-	**(121)**
Balance at March 31, 2021	**$ 89,643**	**$ 28,344**	**$ 16,830**	**$ 691**	**$ 135,508**
Depreciation expense	4,630	1,701	1,807	-	**8,138**
Transfers (a)	(94,273)	(30,045)	(18,637)	(691)	**(143,646)**
Balance at March 31, 2022	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Carrying Amounts					
At March 31, 2021	$ 107,590	$ 35,856	$ 20,298	$ 2,382	$ 166,126
At March 31, 2022	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

a) Transfers to/from assets held-for-sale, property, plant, and equipment, right-of-use-assets, and/or within categories of investment property.

The estimated market value of investment property at March 31, 2022 was $244.3 million (2021 - $262.0 million). All investment property was classified as held-for-sale at March 31, 2022. The market value is based on internally-generated estimates of cash flows of individual properties using capitalization rates in the range of 6.3 per cent to 9.9 per cent (2021 - 6.3 per cent to 10.0 per cent), applied based on property type and market characteristics, which resulted in an overall weighted average capitalization rate of 7.8 per cent (2021 - 7.6 per cent).

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

16. Intangible assets

(thousands of dollars)

	Development Costs and Software (a)	Indefinite Life (a)	Total
Cost			
Balance at April 1, 2020	$ 939,381	$ 120,905	**$ 1,060,286**
Acquisitions - internally developed	8,393	-	**8,393**
Disposals	(177,710)	-	**(177,710)**
Transfers (b)	4,454	-	**4,454**
Acquisitions - other	55,157	-	**55,157**
Balance at March 31, 2021	**$ 829,675**	**$ 120,905**	**$ 950,580**
Acquisitions - internally developed	4,695	-	**4,695**
Disposals	(30,809)	-	**(30,809)**
Transfers (b)	(646)	-	**(646)**
Acquisitions - other	61,153	146,375	**207,528**
Balance at March 31, 2022	**$ 864,068**	**$ 267,280**	**$ 1,131,348**
Accumulated Amortization			
Balance at April 1, 2020	$ 645,013	$ -	**$ 645,013**
Amortization expense	66,381	-	**66,381**
Disposals	(176,528)	-	**(176,528)**
Transfers (b)	1,804	-	**1,804**
Balance at March 31, 2021	**$ 536,670**	**$ -**	**$ 536,670**
Amortization expense	74,711	-	**74,711**
Disposals	(30,180)	-	**(30,180)**
Balance at March 31, 2022	**$ 581,201**	**$ -**	**$ 581,201**
Carrying Amounts			
At March 31, 2021	$ 293,005	$ 120,905	$ 413,910
At March 31, 2022	**$ 282,867**	**$ 267,280**	**$ 550,147**

a) For the purpose of impairment testing, indefinite-life intangible assets (spectrum licenses), a portion of finite-life development costs, and a portion of software are allocated to one CGU: SaskTel. This is the lowest level within the Corporation at which indefinite-life intangible assets are monitored for internal management purposes, which is not higher than the Corporation's operating segments. The Corporation's CGU impairment tests were based on fair value less costs to sell using comparable companies that are listed on exchanges and are actively traded. Share prices for these companies were used to derive an Enterprise Value (EV) to earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio that was adjusted for a demonstrable control premium associated with these publicly traded share prices. The resulting adjusted ratio using Level 3 fair value hierarchy inputs was then applied to the estimated 2021-22 EBITDA to determine the recoverable amount of the unit. Impairment testing indicated no impairment at March 31, 2022.

b) Transfers to/from property, plant, and equipment, right-of-use-assets, and/or within categories of intangibles.

17. Notes payable

Notes payable are due to the GRF. These notes are due on demand and have an effective interest rate of 0.5 per cent (2021 - 0.2 per cent).

18. Deferred revenue

(thousands of dollars)

	Note	2022	2021
Unearned insurance premiums		**$ 552,485**	$ 515,646
Premium taxes payable		**9,404**	8,954
Amounts due to reinsurers		**43,658**	31,880
Other		**16,774**	22,105
		622,321	578,585
Deferred revenue held-for-sale	11	**(2,261)**	-
		$ 620,060	$ 578,585

19. 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, 2021	$ 491,114	$ 110,503	$ 646,473	$ 2,307	**$1,250,397**
(Recovery of) provision for decommissioning and environmental remediation liabilities	(2,153)	7,302	-	-	**5,149**
Other provisions (capitalized) made	(14,474)	-	648,508	-	**634,034**
Provisions used	(15,147)	(1,972)	(554,682)	(875)	**(572,676)**
Provisions reversed	(47,790)	(2)	-	(1,443)	**(49,235)**
Accretion expense	11,744	-	-	11	**11,755**
Balance at March 31, 2022	**423,294**	**115,831**	**740,299**	**-**	**1,279,424**
Current	**-**	**-**	**(339,530)**	**-**	**(339,530)**
Non-current	**$ 423,294**	**$ 115,831**	**$ 400,769**	**$ -**	**$ 939,894**

19. Provisions *(continued)*

(thousands of dollars)

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

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 2023 and 2114 for natural gas facilities and 2023 and 2053 for electrical facilities. The undiscounted cash flows required to settle the obligations total $1,069.8 million (2021 - $1,018.9 million). Risk-free rates between 2.1 per cent and 3.4 per cent were used to calculate the discounted carrying value of the obligation. During the year, the Corporation recorded a $2.2 million decrease in the provision (2021 - $0.5 million increase). 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, 2022 decommissioning provision (thousands of dollars):

	Undiscounted cash flows	Discounted cash flows	Discount rate + 0. 5%	Discount rate - 0. 5%	Inflation rate + 0. 5%	Inflation rate - 0. 5%
Decommissioning	**$1,069,825**	**$ 423,294**	**$ (44,396)**	**$ 52,508**	**$ 50,900**	**$ (53,864)**

b) Environmental remediation

The following are included in the provision for environmental remediation:

i) The Corporation has accrued $50.5 million (2021 - $43.4 million) to carry out clean-up activities and associated costs related to an indemnity for environmental liabilities predating 1986 at the Prince Albert pulp mill site and the ERCO Worldwide chemical plant in Saskatoon.

ii) The Corporation has accrued $60.0 million (2021 - $67.1 million) related to estimated environmental remediation for its electrical generation assets and other properties.

19. Provisions *(continued)*

c) Unpaid insurance claims

The provision for unpaid insurance claims has been calculated using a discount rate of 2.7 per cent (2021 - 1.1 per cent).

20. Lease liabilities

(thousands of dollars)

	Note	2022	2021
Contractual undiscounted cash flows		**$ 2,088,388**	$ 2,268,782
Less: future finance charges on leases		**(1,062,217)**	(1,207,083)
Discounted lease liabilities		**1,026,171**	1,061,699
Lease liabilities held-for-sale	11	**(565)**	-
		1,025,606	1,061,699
Current portion of discounted lease liabilities		**(58,868)**	(50,674)
Current portion of lease liabilities held-for-sale	11	**304**	-
		$ 967,042	$ 1,011,025

During the year ended March 31, 2022, the Corporation recognized $138.4 million (2021 - $151.3 million) of interest costs in net earnings related to these lease liabilities.

As at March 31, 2022, scheduled contractual undiscounted cash flows and discounted lease liabilities are as follows (including liabilities held-for-sale):

	1 year	1-5 years	More than 5 years
Contractual undiscounted cash flows	$ 193,965	$ 727,318	$ 1,167,105
Discounted lease liabilities	58,868	236,607	730,696

21. Long-term debt
(thousands of dollars)

	2022 Principal Outstanding	**2022** Effective Interest Rate	2021 Principal Outstanding	2021 Effective Interest Rate
General Revenue Fund (years to maturity)				
1-5 years	**$ 1,101,679**	**4.8%**	$ 1,329,020	5.6%
6-10 years	**914,000**	**4.4%**	570,559	3.1%
11-15 years	**977,368**	**5.2%**	864,807	5.9%
16-20 years	**1,548,986**	**4.0%**	1,316,123	4.6%
21-25 years	**2,350,000**	**3.4%**	2,000,000	3.6%
26-30 years	**1,300,000**	**3.1%**	2,350,000	3.1%
Beyond 30 years	**1,245,000**	**3.0%**	925,000	3.2%
Total due to the GRF	**9,437,033**	**3.9%**	9,355,509	4.0%
Other long-term debt (21-25 years)	**4,816**	**13.5%**	4,816	13.5%
Unamortized debt premium net of issue costs	**79,335**		80,377	
	9,521,184		9,440,702	
Due within one year	**(256,320)**		(243,900)	
Total long-term debt	**9,264,864**		9,196,802	
Long-term debt held-for-sale (note 11)	**(36,684)**		-	
	$ 9,228,180		$ 9,196,802	

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

2023	$ 256,320
2024	152,100
2025	350,000
2026	326,700
2027	16,559

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.

CIC CONSOLIDATED

22. Contract liabilities

(thousands of dollars)

	2022	2021
Contract liabilities, beginning of year	**$ 249,662**	$ 269,872
Contract liabilities recognized in the current year	**358,836**	382,080
Recognized in revenue	**(357,741)**	(391,068)
Other	**(4,433)**	(11,222)
Contract liabilities, end of year	**246,324**	249,662
Current	**(87,663)**	(84,757)
Non-current	**$ 158,661**	$ 164,905

23. Employee future benefits

Defined benefit pension plans

The Corporation has three defined benefit pension plans, for certain of its employees, that have been closed to new membership. Annual audited financial statements for each plan are prepared and released publicly.

The actuarial valuations include a provision for uncommitted and ad hoc benefit increases; and are measured using management's best estimates based on assumptions that reflect the most probable set of economic circumstances and planned courses of action. There is a risk that the actual amount may differ materially from the estimate. The major assumptions used in the valuation of the defined benefit pension plans are as follows:

	2022	2021
Discount rate - end of year	**3.9%**	2.9-3.1%
Inflation rate	**2.0-2.3%**	2.0-2.3%
Duration (years)	**9-11**	10-11
Post-retirement index	**0.0-1.6% and 70.0% of CPI**	0.0-1.6% and 70.0% of CPI
Last actuarial valuation	**12/31/19-3/31/2020**	12/31/19-3/31/2020

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

23. Employee future benefits *(continued)*

The actuarial assumptions are based on management's expectations, independent actuarial advice and guidance provided by IFRS. The most significant assumption for each plan is the discount rate, which is the yield at the reporting date of high-quality debt instruments that have maturity dates approximating the terms of the plan obligations.

Sensitivity analysis on defined benefit pension plan assumptions

The following illustrates the impact on the March 31, 2022 defined benefit pension obligation from a change in an actuarial assumption (thousands of dollars):

	SaskTel		SGI CANADA		SaskPower	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1.0 per cent)	**$ (81,195)**	**$ 96,072**	**$ (2,031)**	**$ 2,393**	**$ (74,633)**	**$ 88,261**
Inflation rate (1.0 per cent)	**(42,981)**	**(10,671)**	**N/A[1]**	**N/A[1]**	**(26,961)**	**28,739**
Post-retirement index (1.0 per cent)	**38,423[2]**	**(95,086)**	**393**	**N/A[1]**	**81,847**	**(70,640)**
Mortality (1 year)	**N/A[1]**	**N/A[1]**	**N/A[1]**	**N/A[1]**	**(27,323)**	**28,644**

[1] Impact to the March 31, 2022 defined benefit pension obligation from a change in assumption is not considered significant.
[2] Amount reflects a 0.4 per cent increase to the post-retirement index as this is the maximum increase allowed under the Plan.

CIC CONSOLIDATED

23. Employee future benefits *(continued)*

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

	2022	2021
Defined benefit pension plan obligation, beginning of year	**$ 1,844,141**	$ 1,778,310
Included in net earnings:		
Current service cost	**382**	459
Interest cost	**54,578**	63,182
	54,960	63,641
Included in OCI:		
Actuarial losses (gains) arising from:		
Financial assumptions	**(139,923)**	131,629
Experience adjustments	**-**	(2,146)
	(139,923)	129,483
Benefits paid	**(124,118)**	(127,293)
Defined benefit pension plan obligation, end of year	**$ 1,635,060**	$ 1,844,141
Fair value of defined benefit pension plan assets, beginning of year	**$ 1,682,168**	$ 1,614,355
Included in net earnings:		
Interest income	**50,753**	57,825
Included in OCI:		
Return on plan assets excluding interest income	**702**	152,066
Asset ceiling adjustment	**(60,734)**	(14,787)
	(60,032)	137,279
Employee funding contributions	**2**	2
Benefits paid	**(124,118)**	(127,293)
	(124,116)	(127,291)
Fair value of defined benefit pension plan assets, end of year	**$ 1,548,773**	$ 1,682,168
Funded status - plan deficit and net defined benefit pension obligation	**$ 86,287**	$ 161,973

23. Employee future benefits *(continued)*

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

	2022	2021
Asset category		
Short-term investments	**1.5%**	1.1%
Bonds and debentures	**46.1%**	43.6%
Equity securities - Canadian	**7.2%**	9.3%
Equity securities - US	**13.3%**	14.1%
Equity securities – Non-North American	**15.3%**	18.6%
Real estate	**16.6%**	13.3%

Other defined benefit plans

Other benefit plans include a defined benefit and a defined contribution severance plan, a supplementary superannuation plan, two defined benefit service recognition plans, a defined benefit retiring allowance plan and a voluntary early retirement plan. All other defined benefit plans are unfunded.

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

	2022	2021
Other defined benefit pension plan obligation, beginning of year	**$ 77,185**	$ 77,695
Included in net earnings:		
Current service cost	**5,096**	2,688
Interest cost	**4,114**	5,363
	9,210	8,051
Included in OCI:		
Actuarial (gain) loss arising from:		
Financial assumptions	**(1,129)**	1,220
Experience adjustments	**(200)**	979
	(1,329)	2,199
Benefits paid	**(13,744)**	(10,760)
Other defined benefit plan obligation, end of year	**$ 71,322**	$ 77,185

CIC CONSOLIDATED

23. Employee future benefits *(continued)*

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

	2022	2021
Discount rate	**1.9-3.8%**	1.1-2.8%
Inflation rate	**2.0-2.7%**	0.0-2.3%
Long-term rate of compensation increases	**2.0-3.0%**	2.0-3.0%
Remaining service life (years)	**3-12**	3-12
Last actuarial valuation	**9/30/2019-3/31/2022**	9/30/2019-3/31/2021

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, 2022 other defined benefit obligation.

Employee future benefit liability

The employee future benefit liability on the Consolidated Statement of Financial Position represents the funded status of the Corporation's defined benefit pension plans and other defined benefit plans. On a combined basis, at March 31, 2022, these liabilities totaled $157.6 million (2021 - $239.2 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 $67.8 million (2021 - $65.7 million) into these plans.

Employee future benefits expense

Employee future benefits expense 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 (including discontinued operations) totaled $73.2 million (2021 - $68.9 million).

24. Equity advances and capital disclosures

The Corporation does not have share capital. However, the Corporation has received advances from the GRF to form its equity capitalization. The advances are an equity investment in the Corporation by the GRF.

Due to its ownership structure, the Corporation has no access to capital markets for equity. Equity advances in the Corporation are determined by the shareholder on an annual basis. Dividends and equity repayments to the GRF are determined through the Saskatchewan provincial budget process on an annual basis.

The Corporation closely monitors its debt level utilizing the debt ratio as a primary indicator of financial health. The debt ratio measures the amount of debt in the Corporation's capital structure. The Corporation uses this measure in assessing the extent of financial leverage and, in turn, its financial flexibility.

Too high a ratio relative to target indicates an excessive debt burden that may impair the Corporation's ability to withstand downturns in revenues and still meet fixed payment obligations. The ratio is calculated as net debt divided by capitalization at the end of the year.

CIC reviews the debt ratio targets of all its subsidiary Crown corporations on an annual basis to ensure consistency with industry standards. This review includes subsidiary Crown corporations' plans for capital spending. The target debt ratios for subsidiary Crown corporations are approved by the CIC Board. The Corporation uses targeted debt ratios to compile a weighted average debt ratio for the CIC Crown sector.

The Corporation raises most of its capital requirements through internal operating activities and notes payable and long-term debt through the GRF. This type of borrowing allows the Corporation to take advantage of the Province of Saskatchewan's strong credit rating and receive financing at attractive interest rates.

The Corporation made no changes to its approach to capital management during the year and complied with all externally imposed capital requirements.

The debt ratio (including assets and liabilities held-for-sale) is as follows (thousands of dollars):

	Note	**2022**	2021
Total debt (a)		**$ 10,682,176**	$ 10,254,706
Less: Sinking funds	7(a)	**(998,156)**	(1,103,952)
Net debt		**9,684,020**	9,150,754
Equity		**6,350,167**	6,230,654
Capitalization		**$ 16,034,187**	$ 15,381,408
Debt ratio		**60.4%**	59.5%

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

CIC CONSOLIDATED

25. Accumulated other comprehensive income

(thousands of dollars)

		2022		2021
Items that may be subsequently reclassified to net earnings:				
Unrealized losses on sinking funds	**$**	**(57,506)**	$	(4,496)
Unrealized gains (losses) on cash flow hedges		**55,601**		(1,204)
Realized losses on cash flow hedges		**(10,318)**		(10,777)
		(12,223)		(16,477)
Items that will not be reclassified to net earnings:				
Impact of defined benefit plan actuarial assumption changes and asset ceiling		**219,015**		137,795
	$	**206,792**	$	121,318

26. Commitments and contingencies

The following significant commitments and contingencies exist at March 31, 2022:

a) At 2022 prices, the Corporation has forward commitments of $989.7 million (2021 - $1,084.7 million) extending until 2030 for future minimum coal deliveries.

b) As at March 31, 2022, the Corporation has committed to spend $1,424.3 million (2021 - $1,253.5 million) on capital projects.

c) The Corporation has entered into contracts to purchase natural gas, transportation and storage expected to cost $460.2 million (2021 - $366.3 million) based on forward market prices until 2030. This includes fixed price forward contracts with a notional value of $280.9 million (2021 - $358.2 million) which apply for the own-use scope exception.

d) The Corporation has entered into PPAs that provide over 1,800 MW of generating capacity. The payments related to these PPAs are expected to be $12,103.4 million (2021 - $11,989.3 million) until 2049, which includes lease liabilities of $1,985.4 million (2021 - $2,160.5 million).

e) During the year, the Corporation entered into commodity contracts for the physical purchase of natural gas that qualify as own-use contracts. As at March 31, 2022, own-use natural gas derivative instruments had the following notional values and maturities for the next five fiscal years (millions of dollars):

2023	$	70.8
2024		70.5
2025		85.5
2026		88.6
2027		94.4

26. Commitments and contingencies *(continued)*

f) The Corporation has outstanding service contract commitments of $207.5 million (2021 - $180.0 million).

g) 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.

27. Revenue and other income

(thousands of dollars)

	Note	2022	2021
Utilities[1]		**$ 5,176,315**	$ 4,968,056
Insurance		**1,106,029**	1,033,130
Investment and economic growth		**37,192**	37,332
Entertainment		**77,785**	30,898
Other and consolidation adjustments		**(156,549)**	(143,879)
		6,240,772	5,925,537
Discontinued operations	11	**(37,192)**	(37,502)
		$ 6,203,580	5,888,035

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

28. Depreciation and amortization

(thousands of dollars)

	Note	2022	2021
Property, plant and equipment	13	**$ 862,932**	$ 824,772
Right-of-use assets	14	**67,186**	67,332
Investment property	15	**8,138**	8,641
Intangible assets	16	**74,711**	66,381
		1,012,967	967,126
Discontinued operations	11	**(8,771)**	(9,299)
		$ 1,004,196	$ 957,827

CIC CONSOLIDATED

29. Impairment (recoveries) losses

(thousands of dollars)

	Note	2022	2021
Impairment losses (recoveries) on investments		$ 443	$ (34,135)
Impairment losses on property, plant and equipment	13	538	241
Impairment recoveries on investment property	15	-	(34)
		981	(33,928)
Discontinued operations	11	-	34
		$ 981	$ (33,894)

30. Saskatchewan taxes and fees

(thousands of dollars)

	Note	2022	2021
Saskatchewan capital tax		$ 87,749	$ 82,562
Grants in lieu of taxes to municipalities		40,639	40,229
Insurance premium tax		31,853	29,374
Gaming fees		9,549	-
Other		7,271	7,298
		177,061	159,463
Discontinued operations	11	(4,385)	(4,950)
		$ 172,676	$ 154,513

31. Finance income and expenses

(thousands of dollars)

	Note		2022		2021
Sinking fund earnings	7(a)	$	**18,340**	$	38,557
Gain on sale of investments at fair value through profit or loss			**26,115**		14,750
Change in fair value of financial assets at fair value through profit or loss			**(52,915)**		72,913
Interest and other income from investments at fair value through profit or loss			**11,375**		14,359
Interest and other income from investments at amortized cost			**7,730**		6,555
Interest income from defined benefit pension plans	23		**50,753**		57,825
Other			**51,456**		32,423
			112,854		237,382
Discontinued operations	11		**(189)**		(225)
Finance income			**112,665**		237,157
Interest expense on financial liabilities at amortized cost			**526,215**		558,834
Accretion expense on provisions	19		**11,755**		11,080
Interest cost on defined benefit pension plans	23		**54,578**		63,182
Interest cost on other defined benefit plans	23		**4,114**		5,363
Interest capitalized[1]			**(22,656)**		(17,166)
Other			**(2,112)**		(2,140)
			571,894		619,153
Discontinued operations	11		**(1,777)**		(1,777)
Finance expenses			**570,117**		617,376
Net finance expenses		**$**	**457,452**	$	380,219

[1] The weighted average interest rate used to capitalize interest was 3.8 per cent at March 31, 2022 (2021 – 3.4 per cent).

CIC CONSOLIDATED

32. Consolidated statement of cash flows

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

(thousands of dollars)

	Note	2022	2021
Adjustments to reconcile net earnings to cash from operating activities			
Depreciation and amortization	28	**$ 1,012,967**	$ 967,126
Share of net earnings from equity accounted investees	12	**(11,115)**	(6,929)
Defined benefit plan current service costs	23	**5,478**	3,147
Provision for (recovery of) decommissioning and environmental remediation liabilities	19	**5,149**	(15,484)
Unrealized gains on derivative financial instruments	8(b)	**(75,022)**	(17,456)
Inventory recoveries	9	**(557)**	(7,782)
Loss on disposal of property, plant and equipment		**7,346**	35,012
Impairment losses (recoveries)	29	**981**	(33,928)
Net finance expenses	31	**459,040**	381,771
Reclassification of natural gas hedge transitional market value losses		**(16,540)**	(18,413)
Other non-cash items		**31,425**	64,879
		$ 1,419,152	$ 1,351,943

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

b) Reconciliation of changes in liabilities (including liabilities held-for-sale) to cash flows arising from financing activities

(thousands of dollars)

	Sinking funds	Notes payable	Long-term debt	Lease liabilities	Other	Total
Balance as of April 1, 2020	$ 1,198,312	$ (1,449,573)	$ (8,892,633)	$ (1,087,452)	$ (35,798)	**$ (10,267,144)**
Changes from financing cash flows:						
Decrease in notes payable	-	635,557	-	-	-	**635,557**
Increase in other liabilities	-	-	-	(5,193)	(1,170)	**(6,363)**
Debt proceeds from the GRF	-	-	(996,362)	-	-	**(996,362)**
Debt repayments to the GRF	-	-	439,369	-	-	**439,369**
Debt proceeds from other lenders	-	-	-	-	-	**-**
Debt repayments to other lenders	-	-	3,048	-	-	**3,048**
Principal repayments of lease liabilities	-	-	-	44,569	-	**44,569**
Sinking fund installments	92,912	-	-	-	-	**92,912**
Sinking fund redemptions	(188,352)	-	-	-	-	**(188,352)**
Total changes from financing cash flows	**$ (95,440)**	**$ 635,557**	**$ (553,945)**	**$ 39,376**	**$ (1,170)**	**$ 24,378**
Other changes:						
Unrealized losses on sinking funds	(37,477)	-	-	-	-	**(37,477)**
Sinking fund earnings	38,557	-	-	-	-	**38,557**
Other	-	12	5,876	(13,623)	(1,780)	**(9,515)**
Total other changes	**$ 1,080**	**$ 12**	**$ 5,876**	**$ (13,623)**	**$ (1,780)**	**$ (8,435)**
Balance as of March 31, 2021	**$ 1,103,952**	**$ (814,004)**	**$ (9,440,702)**	**$ (1,061,699)**	**$ (38,748)**	**$ (10,251,201)**
Changes from financing cash flows:						
Increase in notes payable	-	(346,976)	-	-	-	**(346,976)**
Increase in other liabilities	-	-	-	(2,582)	(954)	**(3,536)**
Debt proceeds from the GRF	-	-	(331,086)	-	-	**(331,086)**
Debt repayments to the GRF	-	-	243,900	-	-	**243,900**
Principal repayments of lease liabilities	-	-	-	50,300	-	**50,300**
Sinking fund installments	93,791	-	-	-	-	**93,791**
Sinking fund redemptions	(164,917)	-	-	-	-	**(164,917)**
Total changes from financing cash flows	**$ (71,126)**	**$ (346,976)**	**$ (87,186)**	**$ 47,718**	**$ (954)**	**$ (458,524)**
Other changes:						
Unrealized losses on sinking funds	(53,010)	-	-	-	-	**(53,010)**
Sinking fund earnings	18,340	-	-	-	-	**18,340**
Other	-	(12)	6,704	(12,190)	(6,292)	**(11,790)**
Total other changes	**$ (34,670)**	**$ (12)**	**$ 6,704**	**$ (12,190)**	**$ (6,292)**	**$ (46,460)**
Balance as of March 31, 2022	**$ 998,156**	**$ (1,160,992)**	**$ (9,521,184)**	**$ (1,026,171)**	**$ (45,994)**	**$ (10,756,185)**

33. Related party transactions

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Corporation by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). The Corporation has elected to take a partial exemption under IAS 24, *Related Party Disclosures* which allows government-related entities to limit the extent of disclosures about related party transactions with government or other government-related entities.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In addition, the Corporation pays Saskatchewan provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of these purchases.

Other transactions and amounts due to and from related parties and the terms of settlement are described separately in these consolidated financial statements and the notes thereto.

Key management personnel compensation

In addition to salaries, the Corporation provides non-cash benefits to key management personnel, defined as the Board of Directors of each of its subsidiaries, as well as the President and Vice Presidents of CIC and each of its subsidiaries.

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

	Note	2022	2021
Salaries, wages and short-term employee benefits		**$ 19,762**	$ 20,116
Employee future benefits		**1,191**	1,135
Termination benefits		**37**	881
Other		**10**	9
		21,000	22,141
Discontinued operations	11	**(1,271)**	(1,516)
		$ 19,729	$ 20,625

34. Comparative information

Certain of the March 31, 2021 information has been reclassified to conform to the current year's presentation.

SaskPower
Powering our future®

SaskTel

CIC

SGI

SaskEnergy

CIC, SaskPower, SaskTel, SGI and SaskEnergy continued their support of STARS through a multi-year funding agreement totaling $20M from 2012-2022.

STARS missions met the challenge of COVID-19 by carrying and treating patients with confirmed or suspected COVID-19. On a single day during 2021, STARS reached a one-day record, transporting six COVID-19 patients in one day.

In Saskatchewan, STARS flew 901 missions over the course of the year.

Since 1985, STARS has flown more than 45,000 missions across Western Canada.

STARS

CIC Separate

In 2021-22, SaskWater completed upgrades to the water treatment plant in the City of Melfort to protect the quality of water on the Codette Lake Regional Water Supply System and support future growth of the community. The project included the addition of a second clarifier unit to provide treatment redundancy and a backup power generator (pictured above) to ensure continuity of service. The new sections of the plant were commissioned in the summer of 2021.

SaskWater

CIC Separate Management Discussion & Analysis

Analysis of Financial Results

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

This narrative on CIC's separate 2021-22 financial results should be read in conjunction with the audited separate financial statements. For the purposes of this narrative on CIC's separate financial results, "CIC" refers to the holding company.

Comparison of 2021-22 Results with 2020-21 Results

Earnings

Earnings (millions of dollars)	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
Dividend revenue from subsidiary corporations	**$ 189.4**	$ 284.5	$ 230.2	$ 243.1	$ 233.5
Add: Finance and other revenue	**0.7**	0.3	0.9	2.8	1.4
Less: Operating, salaries and other expenses	**(3.6)**	(10.9)	(11.6)	(10.9)	(11.5)
Grants (provided to) repaid by subsidiary corporations	**-**	(1.5)	(7.0)	0.3	(10.3)
Total Separate Earnings	**$ 186.5**	$ 272.4	$ 212.5	$ 235.3	$ 213.1

Net earnings for 2021-22 was $186.5 million, a decrease of $85.9 million as compared to 2020-21. The decrease in earnings is primarily due to lower dividend revenue from subsidiary corporations of $95.1 million offset by a decrease in operating, salaries and other expenses of $7.3 million. A more detailed discussion of 2021-22 compared to 2020-21 financial results is included on the following pages.

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 conditions, commodity markets, general economic and geopolitical conditions, interest and exchange rates, competition, the regulatory environment, technology changes, labour disruptions and global pandemics. Examples include:

- Demand for electricity and natural gas increases during cold weather and decreases during warm weather, which impacts earnings at Saskatchewan Power Corporation (SaskPower) and SaskEnergy Incorporated (SaskEnergy).
- Accident and other insurance claims at Saskatchewan Government Insurance (SGI CANADA) are negatively impacted by winter driving conditions and the summer storm season. Competition and investment market volatility also impact earnings at SGI CANADA.
- Water run-off levels impact SaskPower's capacity to generate hydroelectricity, a lower cost fuel than natural gas and coal generation and impact SaskWater customers' demand for potable and non-potable service.
- Natural gas prices impact earnings at SaskPower and SaskEnergy.
- Investments in wireless and fibre infrastructure brings about increases in depreciation and finance expenses impacting earnings at SaskTel.

Comparison of 2021-22 Results with 2020-21 Results *(continued)*

Dividend Revenue *(continued)*

Crown dividends are calculated in accordance with CIC's dividend policy and typically based on a percentage of operating earnings; however, various factors may lead to an amount being set on an alternate basis. Operating earnings excludes any non-cash fair market value adjustments on items such as financial instruments and inventory. Dividend targets are based on the overall financial health of the subsidiary Crown and its need for capital investment and debt reduction, if required. These targets are subject to change during the year if there is a significant change in circumstances. A five-year history of dividend revenue by contribution source is as follows:

Dividend Revenue (millions of dollars)	**2021-22**	**2020-21**	**2019-20**	**2018-19**	**2017-18**
SaskTel	**$ 94.0**	$ 117.7	$ 107.8	$ 114.7	$ 108.9
SGI CANADA	**57.5**	87.0	54.2	12.5	35.8
SaskEnergy	**21.5**	20.5	23.1	60.0	38.8
SaskWater	**6.5**	6.3	4.2	3.7	2.0
ISC	**5.7**	4.3	4.3	4.3	4.3
SaskPower	**3.2**	48.1	20.6	19.7	-
SOCO	**1.0**	0.6	2.7	3.1	3.1
SaskGaming	**-**	-	13.3	18.0	18.6
STC	**-**	-	-	6.1	22.0
CIC Asset Management Inc. (CIC AMI)	**-**	-	-	1.0	-
Total Dividend Revenue	**$ 189.4**	$ 284.5	$ 230.2	$ 243.1	$ 233.5

Dividend revenue decreased $95.1 million to $189.4 million from 2020-21. The decrease is primarily due to lower dividends from SaskTel, SGI CANADA, and SaskPower as Crown sector operating earnings were lower compared to 2020-21.

SaskTel's dividend of $94.0 million decreased $23.7 million from $117.7 million in 2020-21 primarily due to decreased revenue from wireline communication services, and a reduction in non-recurring customer premise equipment sales and reduced customer project work. In 2021-22, SaskTel experienced lower demand for services and equipment compared to last year when many people were working from home as a result of the pandemic.

SGI CANADA's dividend of $57.5 million decreased $29.5 million from the $87.0 million dividend declared in 2020-21. The decrease is primarily due to increased claims incurred and decreased investment earnings from volatile investment markets. SGI CANADA had significant earnings in 2020-21 as a result of the investment markets rebounding from a low point in March 2020 when the stock market plummeted as the pandemic evolved. In 2021-22, claims returned to more normal levels as vehicles returned to the roads with COVID-19 restrictions lifting.

SaskPower's dividend of $3.2 million decreased $44.9 million from the dividend in 2020-21 of $48.1 million. The decrease is mainly attributable to higher fuel and purchased power costs due to lower cost hydro generation being replaced with more expensive fuel sources such as natural gas. Increased generation volumes from the economy recovering along with rising natural gas prices increased the cost to generate power.

Impairment Recovery

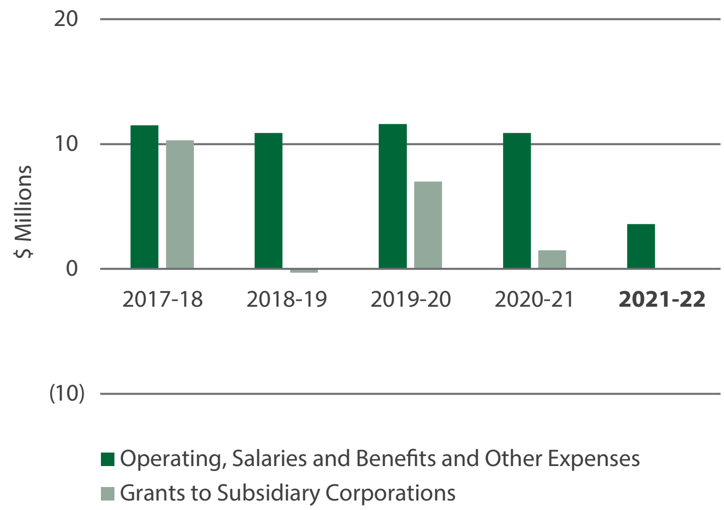
On April 1, 2021, CIC AMI, First Nations and Métis Fund Inc. (FNMF), and Saskatchewan Immigrant Investor Fund Inc. (SIIF) amalgamated, and the entity continued to operate as CIC AMI. As a result of the amalgamation, CIC reversed its impairment losses of $8.6 million on its investment in FNMF as CIC AMI has the financial capacity to repay the loan in the future.

Comparison of 2021-22 Results with 2020-21 Results *(continued)*

Operating, Salaries and Benefits and Other Expenses

Operating, salaries and benefits and other expenses decreased by $7.3 million to $3.6 million compared to $10.9 million in 2020-21. The decrease is primarily a result of an $8.6 million impairment reversal of CIC AMI's loan from CIC.

Excluding the impairment reversal, expenses are $1.4 million higher than the same period of 2020-21. In 2021-22, CIC took on a more enhanced role in coordinating Crown collaboration across government supporting several Crown initiatives. This has increased salaries and benefit costs along with increased consulting fees. In addition, CIC provided support for the Saskatchewan Rate Review Panel as it considered two rate applications.



Grants to Saskatchewan Immigrant Investor Fund Inc. (SIIF)

SIIF was established in 2010 to participate in the Government of Canada's Immigrant Investor Program (IIP). SIIF used IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assisted developers in building affordable entry-level housing in Saskatchewan.

In 2020-21, SIIF received $1.5 million grant from CIC, pursuant to Order in Council 558/2020, to support its repayments to the Government of Canada. On March 31, 2021, SIIF repaid all outstanding allocations to the Government of Canada. On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated, and the entity continued operating as CIC AMI (Notes 7(e) and 11 of the separate financial statements).

Operating, Investing and Financing Activities

Cash Flow Highlights (millions of dollars)		**2021-22**		**2020-21**
Cash from operations	**$**	**223.5**	$	224.5
Cash provided by (used in) investing activities		**39.9**		(2.4)
Cash used in financing activities		**(327.4)**		(150.4)
Change in Cash	**$**	**64.0**	$	71.7

Net cash from operating activities was $223.5 million, similar to 2020-21 as CIC received similar amounts of dividend payments from the Crowns during both fiscal years. Crown dividends are declared and paid three months later which results in differences between dividend payments received and what is recorded as dividend revenue.

Net cash provided by investing activities was $39.9 million (2020-21 - cash used in investing activities of $2.4 million), an increase in cash of $42.3 million. The increase in cash flows is primarily related to equity advance repayments from SaskEnergy of $50.0 million and SOCO of $1.0 million, offset by an equity advance to SaskGaming of $11.7 million (see Note 6 of the separate financial statements).

Net cash used in financing activities was $327.4 million compared to $150.4 million in 2020-21. The increase in cash used was primarily a result of CIC's equity advance repayment to the GRF of $177.0 million as compared to $Nil in 2020-21. CIC declared and paid $150.0 million (2020-21 - $150.0 million) in dividends to the GRF. In the past, CIC periodically received equity advances from the Government of Saskatchewan through the GRF. These equity advances are typically used for long-term investment and are expected to be repaid in the future.

CIC SEPARATE

Public Policy Initiatives

CIC supports government initiatives and programs, including the Indigenous Bursary Program, INROADS, Indigenous Cultural Awareness Program and is the plan sponsor of the Capital Pension Plan. More information on these programs is detailed in the Corporate Information section of this report.

First Nations and Métis Fund Inc. (FNMF)

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

On April 1, 2021, CIC AMI, FNMF and SIIF amalgamated and continued to operate as CIC AMI. As a result of the amalgamation, CIC reversed its impairment losses of $8.6 million on its investment in FNMF as CIC AMI has the financial capacity to repay the loan in the future.

Key Factors Affecting Financial Performance

Earnings

- The key factor affecting CIC's earnings is the level of dividends from commercial subsidiary Crown corporations. Crown earnings and dividend levels are impacted by, but not limited to, weather conditions, commodity markets, general economic and geopolitical conditions, interest and exchange rates, performance, competition, regulatory environment, technology changes, labour disruptions and global pandemics.
- 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 dividend levels for a subsidiary Crown corporation after considering medium term reinvestment needs within each Crown corporation to sustain operations, to grow and diversify, and for debt reduction if necessary.

Investment Valuation

- CIC regularly assesses the appropriateness of the carrying value of its investments and adjusts the value of investments if it judges them to have other than a temporary increase or decline in carrying value.
- On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated and the entity continued to operate as CIC AMI.

SaskWater upgrades to the water treatment plant in Melfort engaged local contractors to work on the upgrade project, which was partially funded by the Province through the New Building Canada Fund. The newly expanded water treatment plant is pictured here with a view of Melfort in the background.

Looking Ahead to 2022-23

CIC's key initiatives for 2022-23 include:

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

Responsibility for Financial Statements

The accompanying separate financial statements have been prepared by management of Crown Investments Corporation of Saskatchewan to illustrate the financial position and results of operations and cash flows of the corporate entity only. They have been prepared, without consolidation, in accordance with the basis of accounting described in Note 2 and Note 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 the reliability and integrity of the separate financial statements with eventual approval of the separate financial statements. The Board of Directors is responsible for reviewing the separate financial statements and meeting with management, KPMG LLP and the Provincial Auditor of Saskatchewan on matters relating to the financial process.

Management maintains a system of internal controls to ensure the integrity of information that forms the basis of the separate financial statements. The internal controls provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly guarded against unauthorized use and that reliable records are maintained. The Provincial Auditor of Saskatchewan has reported to the Legislative Assembly that these controls are adequately functioning.

KPMG LLP has audited the separate financial statements. Their report to the Members of the Legislative Assembly, stating the scope of their examination and opinion on the separate financial statements, appears on the following page.

Kent Campbell, CPA, CMA President & CEO	Cindy Ogilvie, CPA, CA Senior Vice President & CFO

June 23, 2022

Independent Auditors' Report

To the Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the separate financial statements of Crown Investments Corporation of Saskatchewan (“the Entity”) which comprise:

- the separate statement of financial position as at March 31, 2022
- the separate statement of comprehensive income for the year then ended
- the separate statement of changes in equity for the year then ended
- the separate statement of cash flows for the year then ended
- and notes to the separate financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the separate financial position of the Entity as at March 31, 2022, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “*Auditors’ Responsibilities for the Audit of the Financial Statements*” section of our auditors’ report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors’ report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the other information, other than the financial statements and the auditors’ report thereon, included in the annual report as at the date of this auditors’ report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors’ report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants
June 23, 2022
Regina, Canada

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

	Note		2022		2021
ASSETS					
Current					
Cash		**$**	**19,004**	$	82,965
Interest and accounts receivable			**8**		77
Dividends receivable			**49,853**		95,905
			68,865		178,947
Equity advances to Crown corporations	6		**1,049,431**		1,088,731
Investments in share capital corporations	7		**8,956**		314
Property, plant and equipment			**121**		161
Right-of-use assets			**3,432**		3,844
		$	**1,130,805**	$	1,271,997
LIABILITIES AND PROVINCE'S EQUITY					
Current					
Interest and accounts payable		**$**	**1,987**	$	2,265
Lease liabilities			**400**		397
			2,387		2,662
Lease liabilities			**3,053**		3,453
			5,440		6,115
Province of Saskatchewan's Equity					
Equity advances	8		**631,889**		808,889
Retained earnings			**493,476**		456,993
			1,125,365		1,265,882
		$	**1,130,805**	$	1,271,997
Commitments and contingencies	9				

(See accompanying notes)

On behalf of the Board:

Director Don Morgan Director Lori Carr

CIC SEPARATE

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

	Note		2022		2021
INCOME FROM OPERATIONS					
Dividend revenue	10	**$**	**189,417**	$	284,520
Other income			**73**		170
			189,490		284,690
EXPENSES					
Operating			**4,293**		2,910
Salaries and short-term employee benefits			**6,961**		7,090
Employee future benefits			**522**		507
Depreciation			**495**		539
Impairment recovery	7(a)		**(8,642)**		(160)
Loss on disposal of property, plant and equipment			**-**		5
			3,629		10,891
EARNINGS FROM OPERATIONS			**186,861**		273,799
Finance income			**665**		141
Finance expenses			**(43)**		(25)
NET FINANCE INCOME			**622**		116
EARNINGS BEFORE PUBLIC POLICY INITIATIVES			**186,483**		273,915
Grants provided to Saskatchewan Immigrant Investor Fund Inc.	11		**-**		(1,456)
NET EARNINGS			**186,483**		272,459
OTHER COMPREHENSIVE INCOME			**-**		-
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE PROVINCE OF SASKATCHEWAN		**$**	**186,483**	$	272,459

(See accompanying notes)

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

		Attributable to the Province of Saskatchewan		
	Note	Equity Advances	Retained Earnings	Total Equity
Balance at April 1, 2020		$ 808,889	$ 334,534	$ 1,143,423
Total comprehensive income		-	272,459	272,459
Dividends to the General Revenue Fund (GRF)	8	-	(150,000)	(150,000)
Equity advances repaid to the GRF		-	-	-
Balance at March 31, 2021		$ 808,889	$ 456,993	$ 1,265,882
Balance at April 1, 2021		**$ 808,889**	**$ 456,993**	**$ 1,265,882**
Total comprehensive income		**-**	**186,483**	**186,483**
Dividends to the GRF	8	**-**	**(150,000)**	**(150,000)**
Equity advances repaid to the GRF		**(177,000)**	**-**	**(177,000)**
Balance at March 31, 2022		**$ 631,889**	**$ 493,476**	**$ 1,125,365**

(See accompanying notes)

CIC SEPARATE

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

	Note	2022	2021
OPERATING ACTIVITIES			
Net earnings		**$ 186,483**	$ 272,459
Adjustments to reconcile net earnings to cash from operating activities:			
Depreciation		**495**	539
Loss on disposal of property, plant and equipment		**-**	5
Impairment recovery	7(a)	**(8,642)**	(160)
Net finance income		**(622)**	(116)
		177,714	272,727
Net change in non-cash working capital balances related to operations	12	**45,843**	(48,213)
Interest paid		**(43)**	(25)
Net cash from operating activities		**223,514**	224,489
INVESTING ACTIVITIES			
Interest received		**665**	141
Repayment of due from First Nations & Metis Fund Inc.	7(b)	**-**	521
Equity advance repayments from Crown corporations	6	**51,000**	1,000
Equity advances to Crown corporations	6	**(11,700)**	(4,000)
Purchase of equipment		**(43)**	(67)
Net cash from (used in) investing activities		**39,922**	(2,405)
FINANCING ACTIVITIES			
Equity advance repaid to the GRF	8	**(177,000)**	-
Dividend paid to the GRF	8	**(150,000)**	(150,000)
Principal repayments of lease liabilities		**(397)**	(416)
Net cash used in financing activities		**(327,397)**	(150,416)
NET CHANGE IN CASH DURING YEAR		**(63,961)**	71,668
CASH, BEGINNING OF YEAR		**82,965**	11,297
CASH, END OF YEAR		**$ 19,004**	$ 82,965

(See accompanying notes)

1. General information

Crown Investments Corporation of Saskatchewan (CIC or the Corporation) 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 Board of Directors on June 23, 2022.

b) Basis of measurement

The separate financial statements have been prepared on the historical cost basis except for financial assets at fair value through profit or loss.

c) Functional and presentation currency

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

d) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant items subject to estimates and assumptions include the carrying amounts of equity advances and investments. These significant areas are further described in Notes 6 and 7.

e) Use of judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies.

Significant items subject to judgement are included in the accounting policies listed in Note 4.

3. Application of revised accounting standards

The Corporation did not adopt any amendments to standards resulting in material impacts to 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 23, 2022. CIC's audited consolidated financial statements should be referenced for further information.

a) Cash

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

b) Equity advances to Crown corporations

Crown corporations do not have share capital. However, seven Crown corporations have equity advances from CIC to form their equity capitalization. The equity advances are accounted for at cost and dividends from these corporations are recognized as income when declared.

c) Investments in share capital corporations

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

d) Impairment of equity in Crown corporations and share capital corporations

Investments in Crown corporations and share capital corporations are assessed at each reporting date to determine whether there is objective evidence that the investment is impaired. An investment is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the investment, and that the loss event had a negative effect on the estimated future cash flows of that investment that can be estimated reliably. An impairment loss is recognized through net earnings if the carrying amount of the investment exceeds its recoverable amount.

If, in a subsequent period, the fair value of an impaired investment increases and the increase can be related objectively to an event occurring after the impairment loss was recognized in net earnings, then the impairment loss is reversed, with the amount of the recovery recognized through net earnings.

4. Significant accounting policies *(continued)*

e) Equipment

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

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

f) Financial instruments

Classification and measurement

All financial instruments are measured at fair value on initial recognition. Transaction costs are included in the initial carrying amount of financial instruments except for financial instruments at fair value through profit or loss in which case the transaction costs are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

i) Financial instruments at fair value through profit or loss

The Corporation classifies cash as financial instruments at fair value through profit or loss.

ii) Financial instruments at amortized cost

The Corporation classifies interest and accounts receivable and dividends receivable as amortized cost. Amortized cost financial instruments are subsequently measured at amortized cost using the effective interest method, less any provision for impairment losses.

The Corporation classifies interest and accounts payable as amortized cost. Subsequent to initial recognition, these financial liabilities are accounted for at amortized cost using the effective interest method.

Due to the short-term nature of the Corporation's financial instruments, all carrying values approximate fair value.

g) Equity advances

CIC periodically receives funding from the Government of Saskatchewan through the GRF. Funding can be provided for one of two purposes, government policy initiatives for which no return is expected or required, or long-term investment which is expected to provide a return to the GRF. Funding provided for government policy initiatives is recorded as revenue in the period spending occurs. Funding provided for long-term investment is recorded as an equity advance (Note 8).

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. 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.

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.

5. Status of Crown Investments Corporation of Saskatchewan

CIC was established by Order in Council 535/47 dated April 2, 1947 and continued under the provisions of *The Crown Corporations Act, 1993* (the Act). CIC is an agent of Her Majesty in Right of the Province of Saskatchewan and as a provincial Crown corporation is not subject to federal and provincial income taxes. Certain jointly controlled enterprises and subsidiaries are not provincial Crown corporations and are subject to federal and provincial income taxes.

The Act assigns specific financial and other responsibilities to CIC regarding Crown corporations designated or created as subsidiary Crown corporations of CIC under the Act. The following wholly-owned Crown corporations have been designated or created by Order in Council:

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

In addition to the above Crown corporations, CIC is the sole shareholder of CIC Asset Management Inc. (CIC AMI), a wholly-owned share capital subsidiary which is domiciled in Canada. On April 1, 2021, First Nations and Métis Fund Inc., Saskatchewan Immigrant Investor Fund Inc. and CIC AMI amalgamated. All assets, liabilities and obligations were amalgamated, and the entity continued to operate as CIC AMI. On March 23, 2022, the Government of Saskatchewan announced the creation of a single innovation agency in the province by moving SOCO under the authority of Innovation Saskatchewan. CIC received $93.5 million for its investment in SOCO. The alignment of SOCO and Innovation Saskatchewan into a single agency strengthens the province's mandate and programs, and helps maximize the economic potential of its research infrastructure assets. The change is effective April 1, 2022.

6. Equity advances to Crown corporations

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

		2022		2021
SaskPower	$	**593,000**	$	593,000
SaskTel		**237,000**		237,000
SOCO (a)		**93,500**		94,500
SGI CANADA		**80,000**		80,000
SaskEnergy (b)		**21,531**		71,531
SaskGaming (c)		**15,700**		4,000
SaskWater		**8,700**		8,700
	$	**1,049,431**	$	1,088,731

a) During the year ended March 31, 2022, CIC retracted $1.0 million (2021 - $1.0 million) in equity advances from SOCO. On April 1, 2022, CIC transferred SOCO at book value to Innovation Saskatchewan, a provincial government agency. CIC received $93.5 million from Innovation Saskatchewan as a payment for CIC's investment in SOCO (equity advance) subsequent to year end.

b) During the year ended March 31, 2022, CIC retracted $50.0 million (2021 - $Nil) in equity advances from SaskEnergy.

c) During the year ended March 31, 2022, CIC provided $11.7 million (2021 - $4.0 million) in equity advances to SaskGaming to support ongoing operations and the cash shortfall from the temporary closure of Casinos Regina and Moose Jaw in response to government public health restrictions during the COVID-19 pandemic.

7. Investments in share capital corporations

(thousands of dollars)

	Voting Percentage	2022	2021
CIC Asset Management Inc. (a) (e):			
1 (2021 - 1) Class A common share	100%	**$ -**	$ -
Due from CIC AMI		**8,956**	-
		8,956	-
First Nations and Métis Fund Inc. (b) (e):			
Nil (2021 - 100) Class A common shares	100%	**-**	-
Due from FNMF		**-**	8,956
Impairment in value of FNMF		**-**	(8,642)
		-	314
Saskatchewan Immigrant Investor Fund Inc. (c) (e):			
Nil (2021 - 1) Class A common share	100%	**-**	-
Information Services Corporation (d):			
5,425,000 (2021 - 5,425,000) Class A Limited Voting shares	31%	**-**	-
		$ 8,956	$ 314

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. CIC AMI amalgamated with FNMF and SIIF as described in Note 7(e). CIC recorded an $8.6 million recovery of the provision that was previously related to FNMF.

b) FNMF was established on May 9, 2006, to provide venture capital to qualifying First Nations and Métis businesses in Saskatchewan. FNMF repaid $0.5 million of its loan from CIC in the prior year.

c) SIIF was established on October 6, 2010, under *The Business Corporations Act (Saskatchewan)* to participate in the Government of Canada's Immigrant Investor Program (IIP). SIIF used IIP funds to deliver the Government of Saskatchewan's HeadStart on a Home program that assisted municipalities, builders, and developers in building affordable entry-level housing. On February 11, 2014, the Government of Canada announced that it would no longer accept funds into the IIP. SIIF continued to receive funds from the Government of Canada until 2020 and repayment of the funds was due in 2024. SIIF completed an early repayment of the outstanding IIP allocations on March 31, 2022, fulfilling its obligation to the Government of Canada.

d) The Corporation owns 5,425,000 Class A Limited Voting shares representing a 31.0 per cent ownership interest of ISC. At March 31, 2022, the fair value of these shares was $134.8 million (2021 - $133.4 million).

e) On April 1, 2021, SIIF, FNMF and CIC AMI amalgamated and continued operating as CIC AMI.

8. Equity advances and capital disclosures

CIC does not have issued or outstanding share capital. However, CIC has received advances from the GRF to form its equity capitalization. The advances are an equity investment in CIC by the GRF. During the year ended March 31, 2022, CIC repaid $177.0 million (2021 - $Nil) in equity advances to the GRF. Equity advances from the GRF have been invested in subsidiary Crown corporations. CIC, as a holding corporation for the Saskatchewan commercial Crown sector, does not carry any debt.

CIC's ability to pay regular dividends to the GRF depends mainly on the level of Crown corporation dividends to CIC, less CIC's operating costs. These operating costs may include support to Crown corporations, public policy expenditures and CIC's administrative expenses. Crown corporation dividend levels depend on their net earnings and capital structure. In addition to cash constraints, CIC's ability to declare dividends to the GRF depends on its retained earnings. CIC's earnings and hence, dividend capacity outlook, are sensitive to adverse developments in its operating expenditures and Crown corporation earnings.

For the year ending March 31, 2022, CIC declared and paid $150.0 million (2021 - $150.0 million) in dividends to the GRF.

9. Commitments and contingencies

CIC is the plan sponsor and guarantor of the Capital Pension Plan (CPP), a retirement annuity fund that provides life annuities to its members. CPP is administered by PEBA on behalf of CIC. An actuarial valuation of CPP is performed annually to assess the funding position of CPP and indicate any funding shortfalls. The assets of the Fund at March 31, 2022 exceed the actuarially determined net present value of retirement annuities payable. As a result, CIC does not expect any exposure under this guarantee in 2022-23.

10. Dividend revenue

(thousands of dollars)

	2022	2021
SaskTel	**$ 93,990**	$ 117,739
SGI CANADA	**57,500**	87,000
SaskEnergy	**21,532**	20,553
SaskWater	**6,489**	6,259
Information Services Corporation	**5,751**	4,340
SaskPower	**3,200**	48,072
SOCO	**955**	557
	$ 189,417	$ 284,520

CIC SEPARATE

11. Grants provided to Saskatchewan Immigrant Investor Fund Inc.

(thousands of dollars)

	2022	2021
SIIF Inc. (a)	$ -	$ 1,456

a) In 2020-21, SIIF received $1.5 million in grant funding from CIC to support its repayments to the Government of Canada relating to the Immigrant Investor Program, pursuant to Order in Council 558/2020 (Note 7(c)). On April 1, 2021, SIIF amalgamated with CIC AMI, amalgamating all assets, liabilities and obligations, and the entity continued operating as CIC AMI.

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

(thousands of dollars)

	2022	2021
Decrease in interest and accounts receivable	$ 69	$ 30
Decrease (increase) in dividends receivable	46,052	(48,258)
(Decrease) increase in interest and accounts payable	(278)	15
	$ 45,843	$ (48,213)

13. Financial instruments

a) Market risk

Market risk reflects the risk that CIC's earnings will fluctuate due to changes in interest rates. CIC's cash are held in high interest bank accounts and will therefore adjust to fluctuations in the interest rate environment. CIC does not believe that the impact of fluctuations in interest rates will be significant and therefore has not provided a sensitivity analysis of the impact on net earnings. Cash 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.

14. Related party transactions

Included in these separate financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to CIC by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties"). CIC has elected to take a partial exemption under IAS 24, *Related Party Disclosures* which allows government-related entities to limit the extent of disclosures about related party transactions with government and other government-related entities.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

In addition, CIC pays Saskatchewan provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases. CIC provides management services to CIC AMI 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 year (2021 - 1.92 per cent).

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

		2022		2021
Salaries and short-term employee benefits	**$**	**1,293**	$	1,255
Employee future benefits		**114**		198
Termination benefits		**37**		579
Other		**10**		9
	$	**1,454**	$	2,041

15. Pension plan

CIC is a member of the Public Employees' Pension Plan (PEPP), a defined contribution pension plan. CIC's contributions to PEPP include making regular payments to match the required amounts contributed by employees for current service. The total amount paid to PEPP for the year ended March 31, 2022 was $0.5 million (2021 - $0.5 million).

Glossary of Terms

Throughout 2021-22, SOCO enhanced their products to better serve tenants in the Saskatoon and Regina technology parks with initiatives such as the Innovation Place Connect app and Return to Work guide.

SOCO

Accumulated Other Comprehensive Income (Loss)
Comprises the accumulated balance of all components of other comprehensive income (loss), being revenues, expenses, gains and losses that, in accordance with primary sources of International Financial Reporting Standards, are recognized in comprehensive income (loss), but excluded from net earnings.

Capital Resources
The funds that have been invested in and loaned to the corporation to allow it to carry out its operations and investment activities. A corporation's capital consists of its debt and equity.

Capital Structure
The relative percentage of debt compared to equity for a corporation. The ideal capital structure for a corporation is usually specific to its industry and depends on factors such as the level of capital assets required to maintain operations, the cost of borrowing, the risk association with the industry, and shareholder expectations.

Comprehensive Income (Loss)
The change in equity (net assets) of an enterprise during a period from transactions and other events and circumstances from non-owner sources. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners.

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

Derivative
A contract or security that obtains its value from price movements in a related or underlying security, future of other instrument or index.

Dividend Capacity
The financial ability that a firm has to pay dividends. Dividend capacity is determined by identifying cash sources from operations, analyzing reinvestment needs and the target capital structure, and then determining surplus cash.

Dividend Payout Rate
Crown corporation dividends are typically based on earnings from operations; however, various factors may lead to an amount being set on an alternate basis.

EBITDA
Earnings before interest, taxes, depreciation and amortization.

Forward Contract
A contractual commitment to buy or sell a specified currency at a specific price and rate in the future.

General Revenue Fund (GRF)
The GRF is a special purpose fund that the government uses to pay for most of the programs it provides. It is the Government of Saskatchewan's central accounting entity where all public monies are deposited to and disbursed from, as authorized by the legislative assembly.

Minimum Capital Test (MCT)
The minimum capital test is a capital adequacy test widely used in the insurance industry and indicates capital available to pay claims compared to capital required.

Other Comprehensive Income (Loss)
Comprises revenue, expenses, gains and losses that, in accordance with primary sources of International Financial Reporting Standards, are recognized in comprehensive income (loss), but excluded from net earnings.

Performance Management Plans
Plans that are developed by each Crown corporation detailing key strategic priorities, measures and targets for a given year. They are also referred to as business plans, and typically include the corporation's budget for the year.

Return on Equity
A measure of profitability that relates a company's earnings to the investment by its owners. It is calculated as net earnings divided by the average shareholder's equity.

Significant Transaction
Significant transactions are those judged by a Crown corporation to be sensitive and likely of interest to legislators and the public or where the transaction is both material and outside the organization's course of business and involves:

- the acquisition of a major investment or asset, or the assumption of a major liability;
- a change in the terms and conditions governing an existing investment or asset; or
- the divestiture of a major asset or investment.

Sinking Fund
An account held for the specific purpose of paying down an existing debt instrument (e.g., loan) that has a maturity date in the future. Money is placed in the fund over the period which the debt is held and then used to pay off the debt at its maturity. Sinking funds are recorded as investments for financial reporting purposes.

The Golden South Wind Facility during nighttime construction.

Directory

Crown Investments Corporation
President: Kent Campbell
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: Penny McCune*
2260 – 11th Avenue
Regina, Saskatchewan S4P 0J9
Inquiry: 1-844-855-2744
Websites: www.sgi.sk.ca | www.sgicanada.ca

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

Saskatchewan Power Corporation
Acting President: Troy King
2025 Victoria Avenue
Regina, Saskatchewan S4P 0S1
Inquiry: 1-888-757-6937
Website: www.saskpower.com

Saskatchewan Telecommunications
President: Doug Burnett
2121 Saskatchewan Drive
Regina, Saskatchewan S4P 3Y2
Inquiry: 1-800-727-5835
Website: www.sasktel.com

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

SaskEnergy Incorporated
Acting President: Mark Guillet, Q.C.
1777 Victoria Avenue
Regina, Saskatchewan S4P 4K5
Inquiry: 1-800-567-8899
Website: www.saskenergy.com

* Andrew Cartmell retired April 4, 2022

Crown Investments Corporation of Saskatchewan
400 – 2400 College Avenue | Regina, Saskatchewan, Canada S4P 1C8
Inquiries: 306-787-6851 | Fax: 306-787-0294

www.cicorp.sk.ca