

What are the Public Accounts?

Public Accounts – Volume 1 includes the Government's **Summary Financial Statements** showing how it collected and spent public money over the fiscal year and our Office's **Independent Auditor's Report** on those financial statements. Volume 1 also has a 'Financial Statement Discussion and Analysis' that, when read alongside the financial statements, offers insight into the Government's financial condition and its financial performance.

The *2025–26 Public Accounts – Volume 1* are at publications.saskatchewan.ca.

Government of Saskatchewan's Finances from 2025–26 Public Accounts

Financial Condition of the Government of Saskatchewan

The Government of Saskatchewan's financial condition can be assessed using key financial indicators of **sustainability**, **flexibility**, and **vulnerability**. These indicators are recommended by CPA Canada's independent Public Sector Accounting Board.

Sustainability

Reflects the Government's ability to continue funding current services and meeting debt obligations without increasing debt or revenue. A government's **annual surplus or deficit**, its **accumulated deficit**, its **net debt**, and a province's **gross domestic product (GDP)** are important measures of the state of a government's finances and provide useful insight into the sustainability of its revenue-raising and spending practices.

- The Government **lived beyond its means in 2026** resulting in a \$947 million annual deficit (2025: \$249 million annual deficit) Annual surplus or deficit shows whether the government collected more revenue than it spent (surplus) or spent more than it collected (deficit) during the year
- The **accumulated deficit** was \$2.39 billion (2025: \$1.63 billion) at March 31, 2026, showing the amount current and past Saskatchewan governments are leaving to current and future generations to pay or finance
- Saskatchewan's **net debt to GDP was 14.6% of the province's economy**, up from 13.8% in 2025 (lower ratios indicate the provincial economy is in a better position to pay off existing debts) as of March 31, 2026 Net debt represents future revenues needed to pay for past transactions or events
- **Net debt burden per Saskatchewan resident** continued to grow peaking at \$13,600 per resident in 2026—the highest in a decade

Flexibility

Shows the Government's ability to increase revenue such as taxes or debt borrowings within the economy. When a government has a large accumulated deficit and high interest costs, it has fewer resources to allocate to programs and services.

- **Around 5.1 cents of every revenue dollar earned went toward paying interest on debt**, up from 4.6 cents in 2025

Vulnerability

Shows the degree of Government reliance on revenue outside of its control, such as from federal transfers.

- In 2026, **18.9% of Government revenue came from federal transfers** compared to 18.2% in 2025

Certain Financial Highlights from the 2025–26 Public Accounts

- Total revenue of \$21.13 billion and total expenses of \$22.08 billion
- Non-renewable resources revenue at \$2.73 billion—an increase of over 6% from prior year
- Decrease of \$196 million in income from the utility sector from prior year
- \$13.2 billion spent on health and education combined—nearly 60% of total spending
- Salaries and benefits account for 41% or \$9.16 billion of expenses—a \$701 million increase from 2025
- Total public debt at \$39.74 billion at March 31, 2026 (2025: \$35.22 billion)

Supporting Accountability through Financial Reporting

Government financial statements are used to show accountability. They outline to elected officials and the public how public dollars are raised and spent, and how much taxpayers can expect to pay to fund existing programs and services in the future.

It's essential the Government of Saskatchewan records all transactions and estimates accurately to support effective decision-making.

Audit of the Government of Saskatchewan's 2025–26 Financial Statements

Key Audit Matters

Key audit matters are those determined as most important in requiring substantial audit effort and in the possibility of significant errors. They include matters that are complex and have a high degree of estimation or judgment.

Key audit matters in 2025–26:

- **Individual and corporate income tax revenue**, which provided **\$5 billion** in revenue in 2025–26 (2025: \$4.8 billion). Estimates of individual and corporate income tax revenue involve several inputs and assumptions requiring evaluation and confirmations with the Federal Government.
- **Pension liabilities of \$5.7 billion** at March 31, 2026, (2025: \$5.9 billion) where responsibility for funding lies with the Government and the estimated liability requires considerable judgment about future events (e.g., pension plan members' average lifespan) and economic conditions. Audit work included assessing the appropriateness of the actuarial methodology, reasonableness of assumptions, and testing the accuracy of data provided to the actuary.

The Office's Role in Relation to the Government's Summary Financial Statements

Our Office is required by law to audit the Government of Saskatchewan's financial statements and provide **independent assurance** to the Members of the Legislative Assembly and the people of Saskatchewan that public money is spent as presented, and sufficient information is provided to inform readers and users of the financial statements.

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Our audit assesses whether the financial statements are presented in accordance with Canadian public sector accounting standards. These standards are developed by an independent standard-setting body to serve the public interest by strengthening accountability in the public sector and setting financial reporting standards of good practice. Other provincial governments as well as the Federal Government use these standards to prepare their financial statements; using these standards help to ensure financial statements are complete, consistent, and comparable.

We are responsible for the direction, supervision, and review of the audit work performed and remain solely responsible for the audit opinion. This year's audit required work around a new financial system called GEM.

Provincial Auditor's Opinion on the 2025–26 Government of Saskatchewan Financial Statements

The Government of Saskatchewan received an unmodified (clean) audit opinion on its 2025–26 financial statements.

This means the financial statements meet Canadian public sector accounting standards and users can place reliance on the Government's financial statements. Overall, we are satisfied with the credibility of the financial statements, and they are free of significant errors.