

Audit of the Government of Saskatchewan's 2024–25 Financial Statements

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.

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 users and readers of the financial statements. The Summary Financial Statements are the consolidated financial statements of the Province of Saskatchewan, referred to as the Public Accounts.

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 that a government's 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.

Provincial Auditor's Opinion on the 2024–25 Government of Saskatchewan Financial Statements

The Government of Saskatchewan received an unmodified (clean) audit opinion on its 2024–25 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, the Office is satisfied with the credibility of the financial statements, and they are free of significant errors.

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 2024–25:

- **Individual and corporate tax revenue**, which provided **\$4.8 billion** in revenue in 2024–25 (2024: \$5.8 billion) and accounts for 23% of the Government's revenues. Estimates of individual and corporate tax revenue involve several inputs and assumptions.
- **Pension liabilities of \$5.9 billion** at March 31, 2025, (2024: \$6.1 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.
- **Non-renewable resources revenue** such as from oil and gas and potash can be affected by price and production factors and actual sales beyond a government's control can differ greatly from initial estimates. Non-renewable resources provided **\$2.6 billion** in revenue in 2024–25 compared to \$2.4 billion in 2023–24.

Government of Saskatchewan's Finances from 2024–25 Public Accounts

What are the Public Accounts?

Public Accounts – Volume 1 includes the Government's **financial statements** showing how public money was collected, spent, and managed 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 overall performance. The *2024–25 Public Accounts – Volume 1* are at publications.saskatchewan.ca.

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 revenues. Key indicators include net debt compared to the size of the economy and net debt per capita, which measures debt amount for each person. The economy is measured using GDP (gross domestic product), which is the total value of goods and services the province produces in one year. Net debt is the amount current and past generations leave for future residents to manage or repay.

- As of March 31, 2025, **Saskatchewan's net debt to GDP was 13.7% of the province's economy**, up from 13.1% in 2024 (lower ratios indicate the provincial economy is in a better position to pay off existing debts)
- **Saskatchewan's net debt increased by \$1.3 billion** in 2024–25
- The net debt burden per Saskatchewan resident continues to grow, almost doubling since 2016. **At \$12,500 per resident in 2025, the net debt per capita was up slightly from \$11,700 per resident in 2024**

Flexibility

Shows the Government's ability to increase revenue such as taxes or debt borrowings within the economy.

- **Taxes made up 47% of Government revenue in 2025, which is 4% less than 2024.** This includes income, property, and corporate taxes, PST, fuel and tobacco taxes
- **The Government's own-source revenue remains steady—14.9% of the economy in 2025, compared to 14.4% in 2016** meaning the Government has not increased its financial demands on the economy.
- **Around 4.6 cents of every revenue dollar earned went toward paying interest on debt.**

Vulnerability

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

- In 2025, **about 18% of Government revenue came from Federal Government transfers**, remaining fairly stable since 2016.

Certain Financial Highlights from the 2024–25 Public Accounts

- Total revenue of \$20.9 billion and total expenses of \$21.1 billion.
- Increase of 5% in non-renewable resources revenue from prior year at \$2.57 billion. Notable 47% increase from last year in other non-renewables like uranium.
- An increase of \$767 million in other own-source revenue compared to budget, mostly due to tobacco litigation proceeds.
- \$13.3 billion of total spending on health and education combined—\$370 million spent over budget on health; \$40 million spent under budget on education.
- Salaries and benefits account for \$8.2 billion of expenses.
- In 2025, total public debt increased by \$3.6 billion from 2024 and continues to rise yearly over the past decade. Total public debt at \$35.2 billion at March 31, 2025.
- Pension liabilities continue to decrease year over year at about \$5.9 billion in 2025 from more than \$7.9 billion in 2016.
- **The Government of Saskatchewan ended 2024–25 with a \$249 million deficit and an accumulated deficit of \$1.54 billion.** It has not posted an accumulated surplus since 2019. Deficits suggest that additional resources are required to provide future services.