

# Understanding SaskCentral's Financial Statements

**F**or the first time in 2017, SaskCentral has prepared two sets of financial statements, with separate and consolidated financial statements, to offer two different views of SaskCentral's operations and results.



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## Changes to SaskCentral's Financial Statements

SaskCentral previously only prepared consolidated financial statements. In 2017, SaskCentral has prepared both separate financial statements and consolidated financial statements.

Prior to 2017, the consolidated financial statements accounted for Concentra Bank using the equity method of accounting. Due to Concentra Bank's continuance under the *Bank Act (Canada)* and its new bylaws, SaskCentral has the ability to control Concentra for accounting purposes and must consolidate Concentra Bank as a subsidiary in its financial statements effective January 1, 2017.

## SaskCentral's Separate Financial Statements

In order to enhance transparency of its operations and to support accountability, SaskCentral has prepared separate financial statements. The purpose of the separate financial statements is to isolate SaskCentral's earnings, assets, liabilities and cash flows from those of its subsidiaries. The separate financial statements do not consolidate its subsidiaries, Concentra Bank and CUVentures LP. Instead, these statements account for all SaskCentral's downstream investees using the equity method of accounting.

## SaskCentral's Consolidated Financial Statements

These statements illustrate SaskCentral's results consolidated with results of its subsidiary corporations. The financial statements are

prepared in accordance with International Financial Reporting Standards and include:

- Financial results of subsidiaries (Concentra Bank and CUVentures LP)
- Financial results of SaskCentral's investments in associates using the equity method of accounting (Celero Solutions and Saskatchewan Entrepreneurial Fund Joint Venture)
- The proportionate financial results of SaskCentral's joint operation (CUPS Payment Services)

Consolidated earnings represent the total earnings of SaskCentral, taking into consideration the elimination of all inter-entity transactions (i.e. revenues and expenses between SaskCentral and its subsidiaries and dividends paid by SaskCentral's investees to SaskCentral).