

Appendix 1: Approach, Methodology and Reference Tables

[1] APPROACH and METHODOLOGY

Legislatures have enacted specific rules on how fiscal plans and budgets are adopted. Federally, both houses of Parliament approve the Government of Canada's spending estimates each year, by passing a bill (or bills). In Saskatchewan, the Legislative Assembly does the same for the Government of Saskatchewan. At the City of Saskatoon, the City's estimates are approved by a series of resolutions adopted by the City Council.

Despite those similarities, federal, provincial, and city spending plans are subject to various institutional rules, conventions and governance structures that make comparisons difficult. For example:

- The Government of Canada uses the full accrual method of accounting to prepare its Budget. However, the spending authorities voted by Parliament are on an expenditure basis, which uses only a partial accrual method of accounting. This means that certain activities of government entities are not included in the budget estimates but show up in the audited financial statements (such as pension liabilities or the operation of Government Business Enterprises).¹
- In Saskatchewan, budget estimates are tabled on a Summary Financial Statement (SFS) basis, which are the statements prepared to account for the full nature and extent of the financial activities of the Government. These include all Ministries, government service organizations, and Government Business Enterprises. However, the Legislature approves the main estimates for the Ministries, or what is called the General Revenue Fund (GRF). The GRF is equivalent to the government's operating fund (or budget).
- At the City of Saskatoon, budget estimates are prepared on a cash accounting basis. As required by legislation, the City prepares annual budget estimates for operations and one for capital investments. The operating budget estimates must have revenues equal to expenditures once it is passed. This means that City Council is prohibited from approving an operating budget surplus or deficit. As a result, a property tax increase is used to fill the operating expenditure and revenue gap to ensure the budget is balanced at the time of approval.

However, this document makes several attempts to standardize the data, so the more applicable comparisons can be made. While we try to make this as objective as possible, the different budgetary approaches require making some judgement calls that may introduce some subjective bias into the analysis.

¹ Government Business Enterprise refers to a special type of Crown Corporation who is self-financed and requires no operating subsidy from the government's general revenues.

Because the City budgets on a calendar year its fiscal year spans one year. However, the Government of Canada and the Government of Saskatchewan both budget on fiscal year starting April 1 and running to March 31 of the following year so, they span two years. We standardize this difference by including the City's fiscal year with the Canada/Saskatchewan fiscal years so that the City's 2017 fiscal year is included in the 2017/18 fiscal year and so on.

Expenditure data is standardized as best as possible so that direct operating budget expenditures are compared. This includes only those expenditures that are approved by the respective legislative bodies and those that are predominately supported directly from the tax base.

For federal expenditures, we use the budget documents that were tabled in the House of Commons by the Minister of Finance. Specifically, we use the expense outlook provided in Annex 1.² This excludes spending by enterprise Crown Corporations and any non-budgetary transactions.

For provincial expenditures, we use the Main Estimates of the GRF, as tabled by the Minister of Finance in the Legislative Assembly. Specifically, we use the Schedule of Voted and Statutory Budget Appropriation contained in the Estimates book.³ This data excludes spending by enterprise Crown Corporations (e.g., SaskPower) and other non-budgetary transactions.

For City expenditures, we use the approved operating budget expenditures as shown in Schedule II of the Approved Operating and Capital Budget documents.⁴ This excludes capital spending, utilities, and the Saskatoon Library because it has its own taxing authority. We also show City operating expenditures in two ways: (a) with police and (b) without police. This is because police expenditures are approved by an arms-length statutory board, although City Council does approve the overall City budget.

All expenditure adjustments are made using population and inflation data as described in section 2 of this document. Section 2 provides five tables that show:

- the population estimates for Canada, Saskatchewan, and Saskatoon so that per-capita adjustments can be made.
- the Consumer Price Index for Canada so that inflation adjustments can be made.
- Unadjusted budgetary expenditures for the Government of Canada, the Government of Saskatchewan, the City of Saskatoon, and the City of Saskatoon excluding Police Services.
- Unadjusted per capita budgetary expenditures for the same units noted in the previous bullet.
- Inflation adjusted (real) per capita budgetary expenditures for the same units.

Section 3 graphs the cumulative percent change for all these measures to provide a graphic representation of the trend.

² The data is obtained here: <https://www.canada.ca/en/department-finance/services/publications/federal-budget.html>

³ The data is obtained here: <https://publications.saskatchewan.ca/#/categories/886>

⁴ The data is obtained here: https://www.saskatoon.ca/sites/default/files/documents/2022-2023_approved_business_plan_and_budget.pdf

[2] Reference Tables

2.1 Population Estimates

Population data comes from Statistics Canada's annual population estimates as at July 1 of each year and Table 1 shows the estimates, their annual percent change and the cumulative percent change. The City of Saskatoon is classified as a Census Subdivision (CSD) so the data is obtained from the relevant table. We use these estimates instead of Census Data because the Census is a point in time count one every five years. From 2016 to 2022, Saskatoon's population grew by 11.7% percent, Saskatchewan by 5.1% and Canada by 7.6%.

Table 1: Population Estimates By Jurisdiction							
Jurisdiction	2016	2017	2018	2019	2020	2021	2022
Canada	36,109,487	36,545,236	37,065,084	37,601,230	38,007,166	38,226,498	38,929,902
<i>Annual Percent Change</i>	N/A	1.2%	1.4%	1.4%	1.1%	0.6%	1.8%
<i>Cumulative Percent Change</i>	N/A	1.2%	2.6%	4.1%	5.2%	5.7%	7.6%
Saskatchewan	1,135,987	1,150,331	1,161,767	1,172,479	1,178,467	1,181,493	1,194,803
<i>Annual Percent Change</i>	N/A	1.3%	1.0%	0.9%	0.5%	0.3%	1.1%
<i>Cumulative Percent Change</i>	N/A	1.3%	2.3%	3.2%	3.7%	3.9%	5.1%
City of Saskatoon	256,731	263,042	268,948	275,157	280,400	282,266	288,311
<i>Annual Percent Change</i>	N/A	2.5%	2.2%	2.3%	1.9%	0.7%	2.1%
<i>Cumulative Percent Change</i>	N/A	2.5%	4.7%	7.0%	8.9%	9.6%	11.7%

Sources: Statistics Canada Table 17-10-0142-01 Population estimates, July 1, by census subdivision, 2016 boundaries

2.2 Inflation Data

Inflation data is obtained from Statistics Canada's Annual Consumer Price Index (all items) as reported in Table 18-10-0052-01. Although Consumer inflation is reported regionally, we use the national rate only because several federal income transfers are indexed to the Consumer Price Index (CPI). Because inflation data is only available to 2022, the inflation rate for 2023 is forecasted by taking the median of the various forecasts from the Bank of Canada, Finance Canada and several private sector banks and institutes. For 2023, the consumer inflation rate is assumed to rise by 3.5% relative to 2022. Table 2 shows the CPI level, the annual inflation rate, and the cumulative change in the rate from 2017-2023.

Table 2: Canada Consumer Price Index (All-Items 2002 = 100)

Canada	2017	2018	2019	2020	2021	2022	2023f
Consumer Price Index	130.4	133.4	136.0	137.0	141.6	151.2	156.5
<i>Annual Percent Change</i>	N/A	2.3%	1.9%	0.7%	3.4%	6.8%	3.5%
<i>Cumulative Percent Change</i>	N/A	2.3%	4.2%	5.0%	8.3%	15.1%	18.6%

Sources: Statistics Canada Table 18-10-0005-01, Consumer Price Index, annual average, not seasonally adjusted

2.3 Unadjusted (Nominal Expenditures)

Table 3: Unadjusted Budgetary Expenditures by Order of Government

Order of Government	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Government of Canada (\$Billions)	\$ 330.2	\$ 347.1	\$ 362.9	\$ 628.9	\$ 493.3	\$ 470.4	\$ 490.5
<i>Annual Percent Change</i>	N/A	5.1%	4.6%	73.3%	-21.6%	-4.6%	4.3%
<i>Cumulative Percent Change</i>	N/A	5.1%	9.7%	83.0%	61.4%	56.8%	61.0%
Government of Saskatchewan (\$Billions)	\$ 13.5	\$ 13.9	\$ 14.0	\$ 15.0	\$ 15.8	\$ 16.5	\$ 17.2
<i>Annual Percent Change</i>	N/A	3.3%	1.0%	6.9%	5.1%	4.7%	4.3%
<i>Cumulative Percent Change</i>	N/A	3.3%	4.2%	11.1%	16.2%	20.9%	25.2%
City of Saskatoon (\$Billions)	\$ 0.478	\$ 0.491	\$ 0.510	\$ 0.532	\$ 0.547	\$ 0.567	\$ 0.583
<i>Annual Percent Change</i>	N/A	2.7%	4.0%	4.2%	2.7%	3.7%	2.9%
<i>Cumulative Percent Change</i>	N/A	2.7%	6.8%	11.0%	13.7%	17.4%	20.3%
City of Saskatoon (\$Billions) Less Police Services	\$ 0.382	\$ 0.390	\$ 0.405	\$ 0.422	\$ 0.432	\$ 0.447	\$ 0.459
<i>Annual Percent Change</i>	N/A	2.1%	3.8%	4.2%	2.4%	3.5%	2.7%
<i>Cumulative Percent Change</i>	N/A	2.1%	5.9%	10.1%	12.5%	16.0%	18.7%

Sources: Government of Canada Budget Documents, Annex 1, Expense Outlook, found at: <https://www.canada.ca/en/department-finance/services/publications/federal-budget.html>;
Government of Saskatchewan General Revenue Fund Main Estimates found at <https://publications.saskatchewan.ca/#/categories/886>
City of Saskatoon Operating Budget found at <https://www.saskatoon.ca/city-hall/budget-finances/20242025-multi-year-budget> and <https://www.saskatoon.ca/city-hall/budget-finances/past-budgets>

2.4 Unadjusted Per Capita Expenditures

Table 4: Per Capita Budgetary Expenditures by Order of Government							
Order of Government	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Government of Canada	\$ 9,144	\$ 9,498	\$ 9,791	\$ 16,726	\$ 12,979	\$ 12,306	\$ 12,600
<i>Annual Percent Change</i>	N/A	3.9%	3.1%	70.8%	-22.4%	-5.2%	2.4%
<i>Cumulative Percent Change</i>	N/A	3.9%	7.0%	77.8%	55.4%	50.2%	52.6%
Government of Saskatchewan	\$ 11,846	\$ 12,080	\$ 12,078	\$ 12,790	\$ 13,373	\$ 13,968	\$ 14,402
<i>Annual Percent Change</i>	N/A	2.0%	0.0%	5.9%	4.6%	4.4%	3.1%
<i>Cumulative Percent Change</i>	N/A	2.0%	2.0%	7.9%	12.4%	16.9%	20.0%
City of Saskatoon	\$ 1,860	\$ 1,865	\$ 1,898	\$ 1,914	\$ 1,949	\$ 2,008	\$ 2,023
<i>Annual Percent Change</i>	N/A	0.3%	1.8%	0.8%	1.9%	3.0%	0.7%
<i>Cumulative Percent Change</i>	N/A	0.3%	2.0%	2.9%	4.7%	7.7%	8.5%
City of Saskatoon (Less Police Services)	\$ 1,487	\$ 1,484	\$ 1,507	\$ 1,532	\$ 1,539	\$ 1,584	\$ 1,591
<i>Annual Percent Change</i>	N/A	-0.25%	1.58%	1.68%	0.45%	2.92%	0.43%
<i>Cumulative Percent Change</i>	N/A	-0.25%	1.3%	3.0%	3.5%	6.4%	6.8%
Sources: Government of Canada Budget Documents, Annex 1, Expense Outlook, found at: https://www.canada.ca/en/department-finance/services/publications/federal-budget.html ; Government of Saskatchewan General Revenue Fund Main Estimates found at https://publications.saskatchewan.ca/#/categories/886 City of Saskatoon Operating Budget found at https://www.saskatoon.ca/city-hall/budget-finances/20242025-multi-year-budget and https://www.saskatoon.ca/city-hall/budget-finances/past-budgets Population data from Statistics Canada Table 17-10-0142-01							

In table 4, unadjusted expenditures are adjusted as follows. Expenditures recorded in fiscal year 2022, for example are divided by the population estimate for July 1, 2021, etc. Changes in per capita spending attempt to account for population growth. If population growth rises at the same rate of expenditure growth, then the percent change in per capita spending should be zero all things equal.

2.5 Inflation-Adjusted (Real) Per Capita Expenditures

Table 5: Real Per Capita Budgetary Expenditures by Order of Government (2017 Constant Dollars)

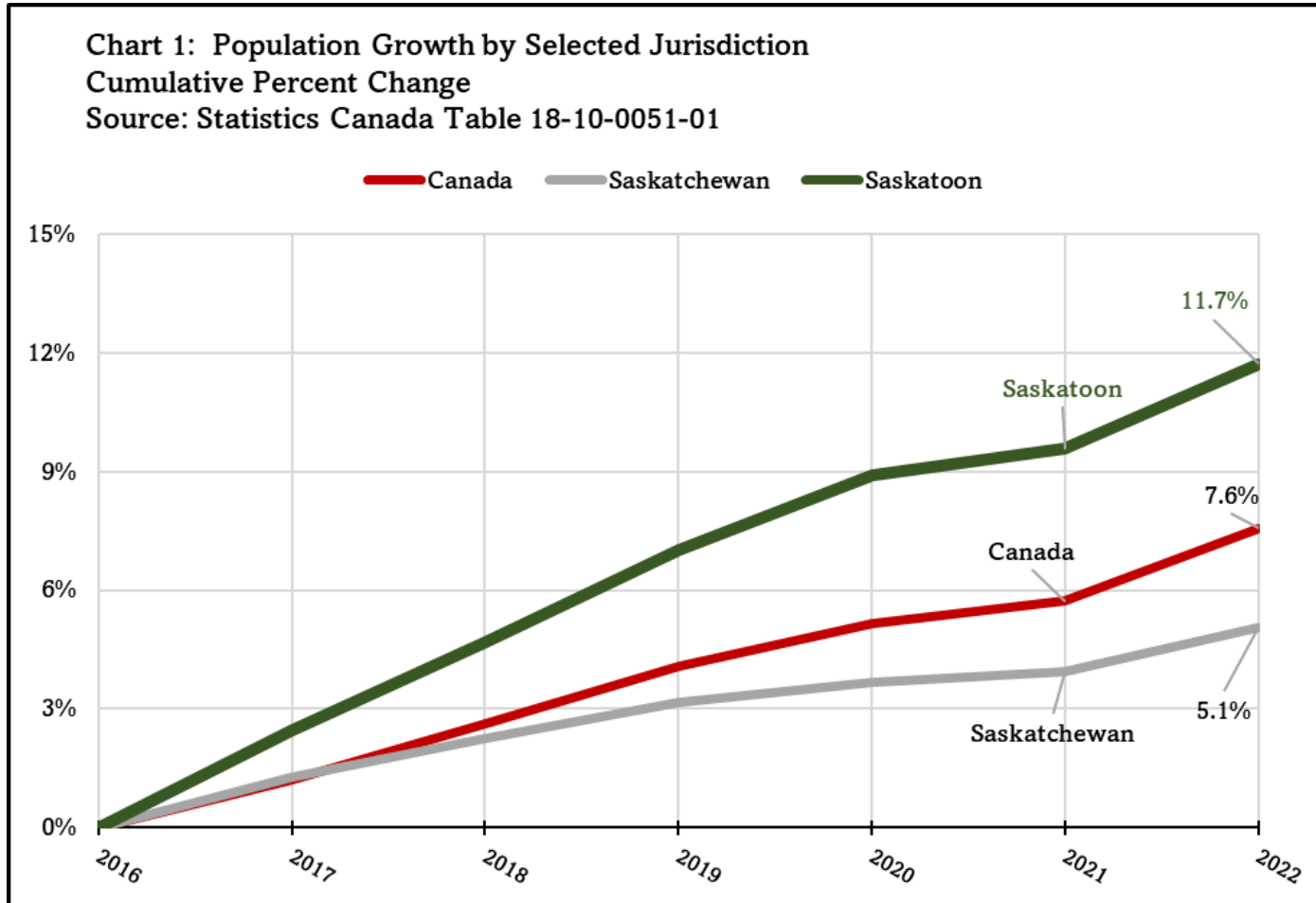
Order of Government	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Government of Canada	\$ 9,144	\$ 9,284	\$ 9,388	\$ 15,920	\$ 11,953	\$ 10,613	\$ 10,499
<i>Annual Percent Change</i>	N/A	1.5%	1.1%	69.6%	-24.9%	-11.2%	-1.1%
<i>Cumulative Percent Change</i>	N/A	1.5%	2.6%	72.2%	47.3%	36.1%	35.0%
Government of Saskatchewan	\$ 11,846	\$ 11,808	\$ 11,581	\$ 12,174	\$ 12,316	\$ 12,046	\$ 12,001
<i>Annual Percent Change</i>	N/A	-0.3%	-1.9%	5.1%	1.2%	-2.2%	-0.4%
<i>Cumulative Percent Change</i>	N/A	-0.3%	-2.2%	2.9%	4.0%	1.9%	1.5%
City of Saskatoon	\$ 1,860	\$ 1,823	\$ 1,820	\$ 1,822	\$ 1,795	\$ 1,732	\$ 1,686
<i>Annual Percent Change</i>	N/A	-2.0%	-0.2%	0.1%	-1.5%	-3.5%	-2.7%
<i>Cumulative Percent Change</i>	N/A	-2.0%	-2.2%	-2.1%	-3.5%	-7.0%	-9.7%
City of Saskatoon (Less Police Services)	\$ 1,487	\$ 1,450	\$ 1,445	\$ 1,459	\$ 1,418	\$ 1,366	\$ 1,326
<i>Annual Percent Change</i>	N/A	-2.5%	-0.4%	0.9%	-2.8%	-3.6%	-3.0%
<i>Cumulative Percent Change</i>	N/A	-2.5%	-2.9%	-1.9%	-4.7%	-8.3%	-11.3%

Sources: Government of Canada Budget Documents, Annex 1, Expense Outlook, found at: <https://www.canada.ca/en/department-finance/services/publications/federal-budget.html>;
 Government of Saskatchewan General Revenue Fund Main Estimates found at <https://publications.saskatchewan.ca/#/categories/886>
 City of Saskatoon Operating Budget found at <https://www.saskatoon.ca/city-hall/budget-finances/20242025-multi-year-budget> and <https://www.saskatoon.ca/city-hall/budget-finances/past-budgets>
 Inflation data from Statistics Canada Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted; Population data from Statistics Canada Table 17-10-0142-01

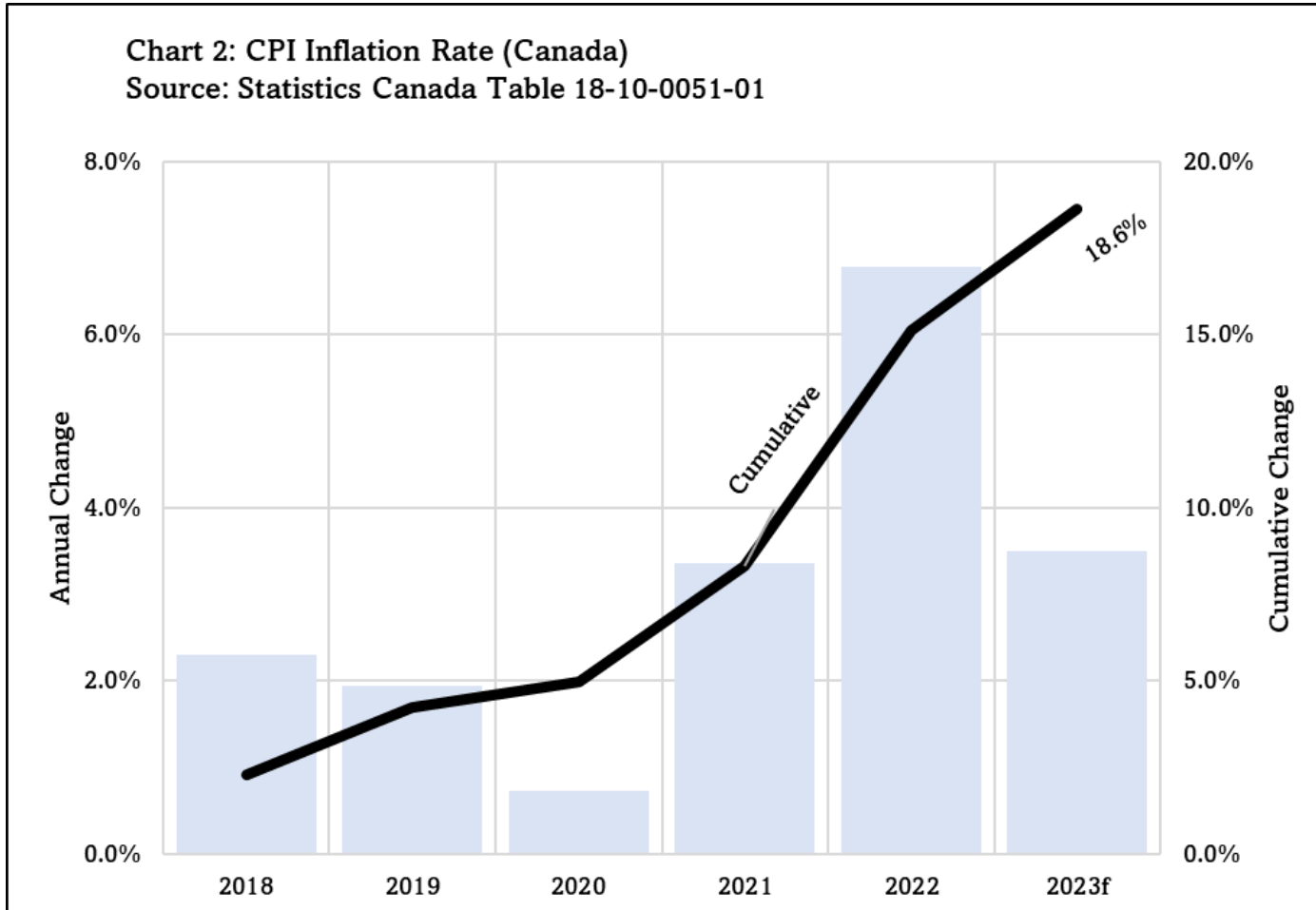
In table 5, the data from table 4 is adjusted for inflation using the CPI as listed in table 2. All per-capita expenditures are adjusted in 2017 constant dollars. Real per capita expenditures attempt to control for population and inflation. Positive expenditure growth means that spending has risen at a faster rate than inflation and population growth, likely due to some fiscal shock. On the other hand, negative expenditure growth means that expenditures have not kept pace with changes in the economy, reducing City purchasing power.

[3] Charts

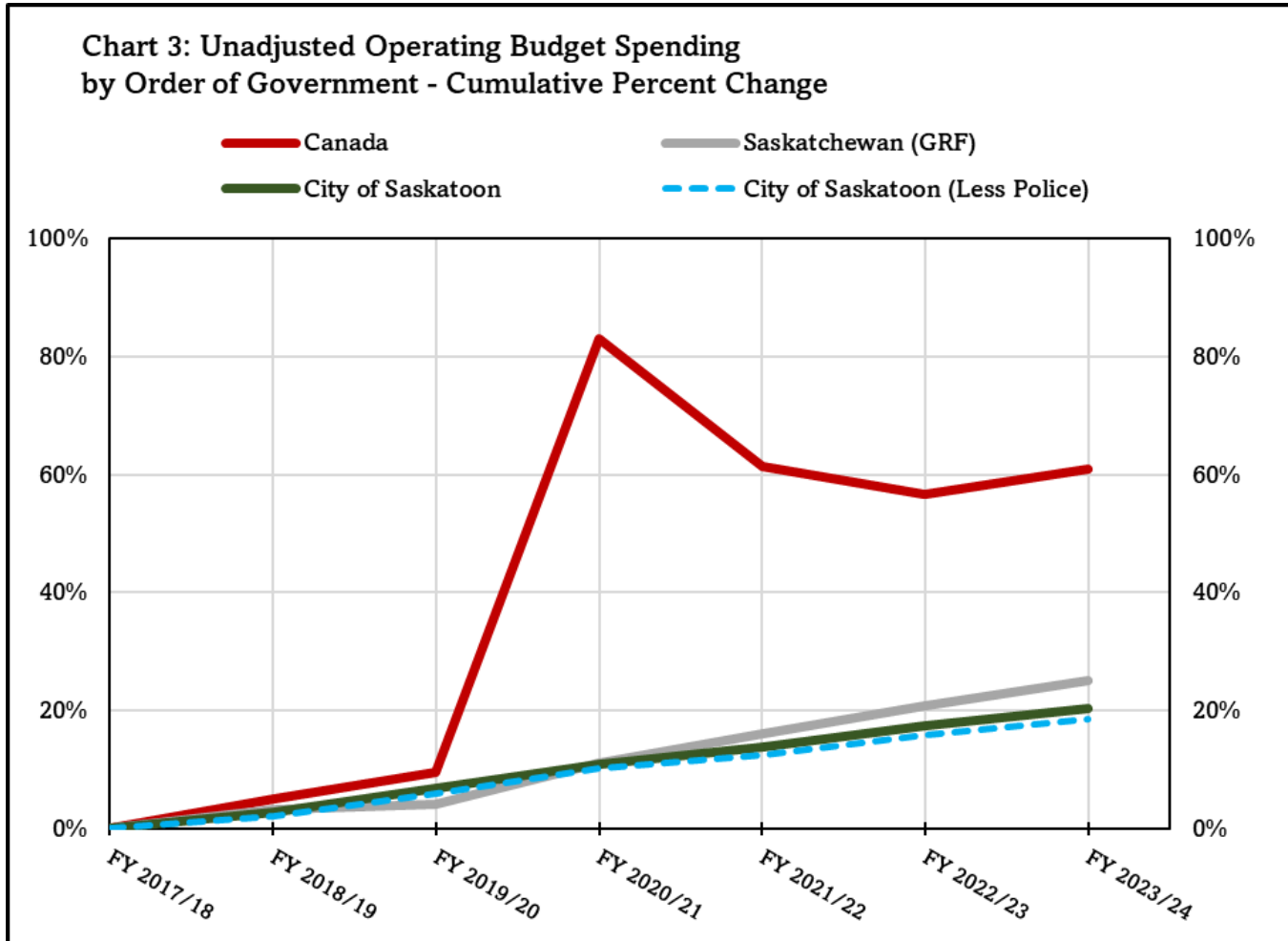
3.1 Population



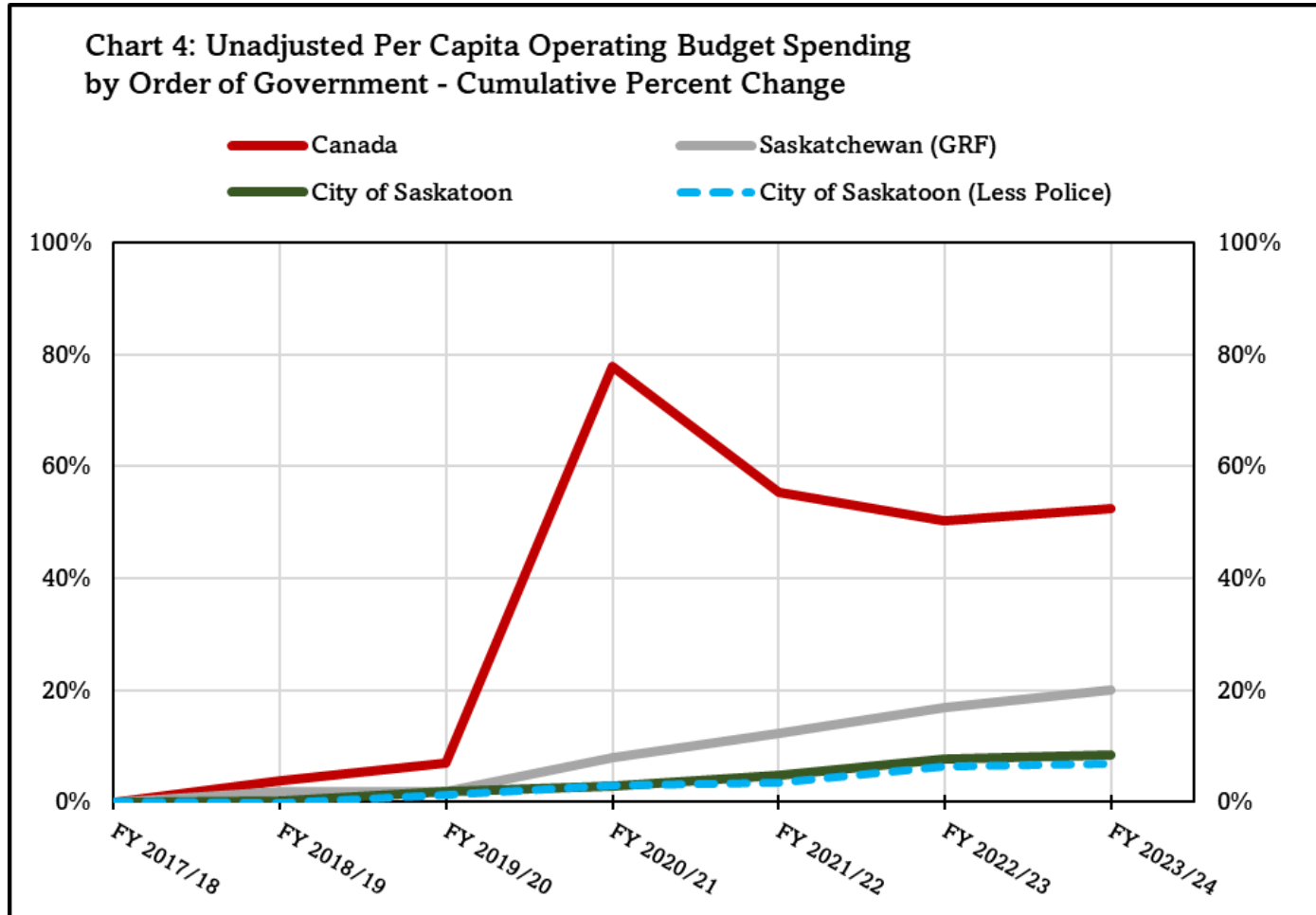
3.2 Consumer Price Inflation



3.3 Unadjusted (Nominal Expenditures)



3.4 Unadjusted Per Capita Expenditures



3.5 Inflation-Adjusted (Real) Per Capita Expenditures

