

Lower Taxes Results
Moving Forward
Opportunity Discipline
Responsible
Progress Better Services
Strategic Job Growth
Measured
Innovation On the Right Track
Strong Economy

PROVINCE OF MANITOBA

ANNUAL REPORT

FOR THE YEAR ENDED MARCH 31, 2019

INCLUDES:

THE YEAR-END REVIEW

ECONOMIC REPORT

FINANCIAL STATEMENT DISCUSSION
AND ANALYSIS REPORT

STRATEGIC OUTCOMES AND
FINANCIAL FORECAST

PUBLIC ACCOUNTS – VOLUME 1

PROVINCE DU MANITOBA

RAPPORT ANNUEL

POUR L'EXERCICE TERMINÉ LE 31 MARS 2019

SOMMAIRE :

BILAN DE L'ANNÉE

RAPPORT ÉCONOMIQUE

RAPPORT D'ANALYSE DES ÉTATS
FINANCIERS

RÉSULTATS STRATÉGIQUES ET
PRÉVISIONS FINANCIÈRES

VOLUME 1 DES COMPTES PUBLICS

Manitoba 



**MINISTER OF
FINANCE**

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Her Honour the Honourable Janice C. Filmon, C.M., O.M.
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Province of Manitoba for the year ended March 31, 2019. This document completes the government's accountability reporting for the year. The Report includes a review of the year's results relative to the government's budget. It also contains economic statistics and indicators of the financial health of the Province.

Included in this Annual Report is Volume 1 of the Public Accounts. The Public Accounts contain the summary financial statements of the government reporting entity and management's financial statement discussion and analysis report.

Original signed by

Honourable Scott Fielding
Minister of Finance

Office of the Minister of Finance
September 2019



**MINISTER OF
FINANCE**

Legislative Building
Winnipeg, Manitoba CANADA
R3C 0V8

Son Honneur Janice C. Filmon, P.C., O.M.
Lieutenant-gouverneure de la province du Manitoba

Votre Honneur,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel de la province du Manitoba pour l'exercice qui s'est terminé le 31 mars 2019. Ce document complète le compte rendu des activités du gouvernement pour cet exercice. Le rapport comprend une récapitulation des résultats de l'exercice par rapport au budget du gouvernement. Il contient également des statistiques économiques et des indicateurs de la santé financière de la province.

Ce rapport annuel inclut le Volume 1 des comptes publics. Les comptes publics contiennent les états financiers sommaires de l'entité comptable du gouvernement, ainsi que les commentaires et analyses de la direction à ce sujet.

Original signé par

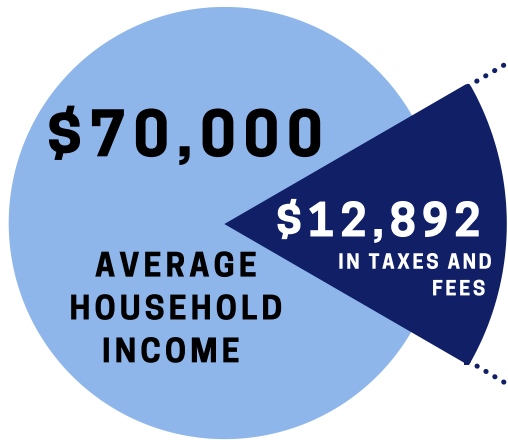
Monsieur Scott Fielding
Ministère des Finances

Cabinet du ministre des Finances
Septembre 2019

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Your Provincial Taxes and Fees



BREAKDOWN OF TAXES AND FEES

Individual Income Tax	\$5,650
Automobile and Motor Carrier Licences and Fees	\$2,430
Retail Sales Tax	\$1,400
Fuel Tax	\$ 400
Parks, Forestry and Other Conservation Fees	\$ 179
Recycling Fees	\$ 33
Education and Property Tax	\$1,825
Service Fees and Other Misc. Charges	\$1,675
Education Tax Credit	-\$ 700

Where do my taxes and fees go?



GOVERNMENT BORROWS

AN ADDITIONAL **\$5,658** PER HOUSEHOLD



Capital investments, loans and guarantees	\$ 5,332
To pay for the deficit	\$ 326
TOTAL	\$ 5,658

YEAR-END REVIEW



I am pleased to present the Government of Manitoba's Annual Report for the fiscal year ended March 31, 2019. This report contains the financial statements for the year, reports of fiscal and economic performance, and strategic outcomes.

I am also proud to report that our government has succeeded in our efforts to control expenditures for the third consecutive year. In fact, we did better than the ambitious targets we set for ourselves in Budget 2018. The summary financial statements show a net loss of \$163 million for the fiscal year ended March 31, 2019. That is \$358 million below the \$521 million deficit that was estimated at the beginning of the fiscal year. We also stabilized the growth of net debt and exceeded our net debt target by \$45 million.

We have once again surpassed our targets under Manitoba's balanced budget law, which required our government to reduce the summary deficit by \$100 million this year. We have contributed an additional \$407 million into the Rainy Day Fund, which is eight times the amount originally budgeted. As a result of our efforts, the fund balance at the end of March 2019 has reached \$572 million, the highest level since 2010/11.

This graphic summarizes how much an average Manitoba family pays in taxes and fees in 2018/19, where that money went and how much was borrowed to cover the deficit and capital projects undertaken by Government and over 170 Other Reporting Entities like regional health authorities, schools, universities, crown corporations like Manitoba Hydro, agencies, boards and commissions which are captured in our budget.

With the exception of two ministries that experienced unique events, all other ministries came in under budget in fiscal 2019. This is virtually unprecedented. We have substantially increased funding for health care and invested \$347 million more in 2019 than the previous government did in 2015/16. In addition, we invested \$205 million more in families and \$247 million more in education, and have done so while continuing to lower the deficit.

BILAN DE L'ANNÉE

J'ai le plaisir de présenter le rapport annuel du gouvernement du Manitoba pour l'exercice financier qui s'est terminé le 31 mars 2019. Ce rapport contient les états financiers pour l'exercice et des rapports sur le rendement et les résultats financiers ainsi que sur les résultats stratégiques.

Je suis également fier de signaler que notre gouvernement a réussi dans ses efforts visant le contrôle des dépenses, pour la troisième année consécutive. En fait, nous avons même dépassé les objectifs ambitieux que nous nous étions fixés dans le Budget de 2018. Les états financiers sommaires montrent une perte nette de 163 millions de dollars pour l'exercice qui s'est terminé le 31 mars 2019. Cette somme est inférieure de 358 millions de dollars au déficit qui était estimé au début de l'exercice (521 millions de dollars). Nous avons aussi stabilisé la croissance de la dette nette et excédé notre cible pour la dette nette de 45 millions de dollars.

De plus, nous avons dépassé les objectifs définis dans le cadre des mesures législatives sur l'équilibre budgétaire, qui exigeaient de notre gouvernement qu'il réduise son déficit sommaire de 100 millions de dollars cette année. Nous avons également alloué une somme additionnelle de 407 millions de dollars au compte de stabilisation des revenus, soit huit fois le montant initialement prévu. Grâce à nos efforts, le solde du compte à la fin de mars 2019 a atteint 572 millions de dollars, le montant le plus élevé depuis 2010-2011.

Ce graphique résume le montant que paie une famille manitobaine moyenne en taxes, impôts et droits en 2018-2019. Il y est aussi indiqué où les sommes sont allouées et le montant qui a été emprunté pour couvrir le déficit et les projets d'immobilisation du gouvernement et de plus de 170 autres entités comptables représentées dans notre budget, notamment les offices régionaux de la santé, les écoles, les universités, les sociétés d'État comme Manitoba Hydro et les organismes, conseils et commissions.

À l'exception de deux départements ministériels qui ont subi des circonstances uniques, tous les départements ministériels sont restés dans les limites de leur budget lors de l'exercice 2019. C'est pratiquement sans précédent. Nous avons augmenté substantiellement le financement des soins de santé et investi 347 millions de dollars de plus en 2019 que l'ancien gouvernement en 2015-2016. D'autre part, nous avons investi 205 millions de dollars de plus dans les familles et 247 millions de plus dans l'éducation, et ce, tout en continuant à réduire le déficit.

Manitoba's economy remains stable and, bolstered by significant growth in construction, manufacturing, exports and both public and private investment in properties throughout our province, improved moderately from the previous fiscal year.

Though many challenges remain on the path to fiscal sustainability, we are tremendously proud of the progress we have made since forming government three years ago. We have reduced the provincial sales tax before the end of our first term and remain committed to return to a balanced budget in our second term.

Respectfully submitted,
Honourable Scott Fielding
Minister of Finance

L'économie du Manitoba demeure stable. Renforcée par une croissance importante en construction, en fabrication, en exportation et en investissement public et privé dans des propriétés de partout dans la province, elle s'est modérément améliorée par rapport à l'exercice précédent.

Bien que de nombreux obstacles demeurent sur le chemin vers la durabilité financière, nous sommes extrêmement fiers des progrès accomplis depuis la formation de notre gouvernement il y a trois ans. Nous avons réduit la taxe de vente provinciale avant la fin de notre premier mandat et restons déterminés à retrouver l'équilibre budgétaire lors de notre second mandat.

Le tout respectueusement soumis.
Le ministre des Finances,
Scott Fielding

ECONOMIC REPORT / RAPPORT ÉCONOMIQUE

2018/19 ECONOMIC OVERVIEW

In real terms, the Manitoba economy grew by 1.2% in 2018. When Budget 2018 was tabled, the economy was forecasted to grow by 2.0% in real terms. The nominal growth forecast was 3.8%.

There are a number of bright spots in the economy which helped drive the 2018/19 financial and fiscal results for the province.

Manitoba's population rose by 16,758 persons to 1,352,154 in 2018. This followed the addition of 21,257 persons in 2017. The continued expansion of the population base, combined with strong local and external demand, incentivized investment in income-generating commercial, industrial, and residential properties.

Manitoba's labour force expanded by 1.2% in 2018 and reached 688,800 persons. Employment increased by 3,600 positions, or 0.6%. Manitoba's unemployment rate of 6.0% last year was fourth lowest among provinces and 0.2% above Canada's average rate of 5.8%.

Incomes in Manitoba increased in 2018, with average weekly earnings growth strengthening to 2.8% in 2018. Supported by labour income growth and transfers from corporations, household disposable incomes increased by 4.5% in 2018.

The construction sector, a major contributor to the provincial economy, grew the most among industries in 2018 by 4.1%. It was followed by arts and entertainment at 3.6%, and the manufacturing sector at 3.3%. The maturing film and video production subsector in particular contributed to the overall gains in the arts and entertainment sector.

Housing starts surpassed 7,000 units for the second consecutive year in 2018, for a total of 14,877 units over two years, the best two-year total since 1987.

Private and public investment in properties (residential and non-residential) increased by 4.4% in 2018. Private sector spending on properties increased by 5.8% in 2018.

VUE D'ENSEMBLE DE LA SITUATION ÉCONOMIQUE EN 2018-2019

En termes réels, l'économie du Manitoba a connu une croissance de 1,2 % en 2018. Lors du dépôt du budget de 2018, on prévoyait que l'économie afficherait une croissance de 2,0 % en termes réels. Les prévisions de croissance nominale étaient de 3,8 %.

Un certain nombre de lueurs d'espoir dans l'économie ont contribué à stimuler les résultats financiers de la province pour 2018-2019.

La population du Manitoba compte 1 352 154 personnes de plus et s'élève à 1 352 154 habitants en 2018. Cette augmentation survient après l'ajout de 21 257 personnes en 2017. L'augmentation constante de la population de base, combinée à une forte demande locale et externe, a favorisé l'investissement dans des propriétés commerciales, industrielles et résidentielles productrices de revenus.

La population active du Manitoba a augmenté de 1,2 % en 2018 et a atteint 688 800 personnes. L'emploi a augmenté grâce à la création de 3 600 postes, soit une hausse de 0,6 %. L'année dernière, avec un taux de chômage de 6,0 % (soit 0,2 % de plus que la moyenne canadienne de 5,8 %), le Manitoba s'est classé au quatrième rang des provinces ayant le plus faible taux de chômage.

Au Manitoba, les revenus ont augmenté en 2018, la croissance de la rémunération hebdomadaire moyenne atteignant 2,8 %. Grâce à la croissance du revenu du travail et aux transferts des sociétés, le revenu disponible des ménages a augmenté de 4,5 % en 2018.

Le secteur de la construction, qui contribue considérablement à l'économie provinciale, a connu la plus forte croissance parmi les industries en 2018, soit 4,1 %. Viennent ensuite les arts et le divertissement (3,6 %) et le secteur manufacturier (3,3 %). Tout particulièrement, le sous-secteur de la réalisation de films et de vidéos, qui est en phase de maturation, a contribué aux gains généraux enregistrés dans le secteur des arts et du divertissement.

Les mises en chantier ont dépassé le nombre de 7 000 logements pour une deuxième année consécutive en 2018. Un total de 14 877 unités ont été construites sur deux ans, soit le meilleur total sur deux ans enregistré depuis 1987.

L'investissement privé et public dans les propriétés (résidentielles et non résidentielles) a augmenté de 4,4 % en 2018. Les dépenses du secteur privé engagées dans les propriétés ont augmenté de 5,8 % en 2018.

Manufacturing sales increased by \$549 million to \$19.4 billion in 2018, or 2.9%.

Les ventes dans le secteur manufacturier ont augmenté de 549 millions de dollars pour atteindre 19,4 milliards de dollars en 2018, soit une hausse de 2,9 %.

Real exports to other countries and other provinces increased by 2.3% and 1.5%, respectively, and contributed to lift Manitoba's total exports of goods and services by 1.9% in 2018. Despite the increased uncertainty in global economic conditions, Manitoba exports to international destinations increased by 12.2% in 2018.

Les exportations réelles vers d'autres pays et d'autres provinces ont augmenté de 2,3 % et de 1,5 %, respectivement, et ont contribué à la hausse de 1,9 % des exportations totales de biens et de services du Manitoba en 2018. Malgré l'incertitude accrue entourant les conditions économiques mondiales, les exportations manitobaines vers des destinations internationales ont augmenté de 12,2 % en 2018.

The value of petroleum production rose 17.9% to \$1.022 billion. The value of metals production declined by 9.9% to \$1.234 billion. Overall, total value of mining, oil and gas production in the province rose by 0.02% to \$2.526 billion in 2018.

La valeur de la production pétrolière a augmenté de 17,9 %, pour atteindre 1,022 milliard de dollars. La valeur de la production de métaux a diminué de 9,9 %, pour s'établir à 1,234 milliard de dollars. La valeur totale de la production minière, pétrolière et gazière dans la province a augmenté de 0,02 % pour atteindre 2,526 milliards de dollars en 2018.

Crop production conditions continued to be somewhat favourable in 2018. In 2018, seeded area for canola increased by 8.1% to 3.4 million acres, while seeded area for soybeans declined 17.5% to 1.9 million acres.

Les conditions de production des cultures sont demeurées plutôt favorables en 2018. La superficie ensemencée de canola a augmenté de 8,1 % pour atteindre 3,4 millions d'acres, tandis que la superficie ensemencée de soja a diminué de 17,5 %, pour une superficie de 1,9 million d'acres.

Household consumption spending, after adjusting for the impact of inflation, grew by 2.3% in 2018. Capital expenditures of non-profit institutions serving households and governments fell by 1.3% and 7.5%, respectively.

Les dépenses de consommation des ménages, après un rajustement tenant compte de l'incidence de l'inflation, ont augmenté de 2,3 % en 2018. Les dépenses en immobilisations des établissements sans but lucratif offrant des services aux ménages et aux gouvernements ont baissé de 1,3 % et de 7,5 %, respectivement.

Manitoba Economic Performance Indicators

Indicateurs de performance économique du Manitoba

Economy

Économie

- Manitoba posted the third strongest provincial growth rate over the past decade (2009-2018 – Statistics Canada), averaging 2.0% compared to 1.8% real GDP growth in Canada overall.
- Manitoba business productivity in the service sector increased by 1.1% in 2018, highest among provinces.
- In Manitoba total business productivity was up 1.1% in 2018, second highest among provinces and an increase for the third consecutive year.

- Le Manitoba a affiché le troisième taux de croissance provincial en importance au cours de la dernière décennie (2009-2018 – Statistique Canada), soit une moyenne de 2 %, comparativement à une croissance du PIB réel de 1,8 % pour l'ensemble du Canada.
- La productivité des entreprises du Manitoba dans le secteur des services a augmenté de 1,1 % en 2018, soit la plus forte hausse parmi les provinces.
- Au Manitoba, la productivité totale des entreprises a progressé pour la troisième année consécutive. Elle a augmenté de 1,1 % en 2018, soit la deuxième hausse en importance parmi les provinces.

Capital Spending

- Private sector capital spending increased by 10.1% in 2018, the highest among provinces.
- Capital spending on machinery and equipment is expected to increase by 6.0% in 2019, the highest among provinces.
- Value of building permits in Manitoba are up 15.6% so far in 2019, third highest among provinces.
 - Non-Residential building permits up 38.1% so far in 2019.
 - Commercial building permits up 30.6% so far in 2019.
 - Industrial building permits up 5.7% so far in 2019.
 - Institutional and government building permits up 119.4% so far in 2019.
- Leading sectors in capital spending growth in 2018:
 - Finance and Insurance 97.6%
 - Manufacturing 49.8%
 - Transportation and Warehousing 27%
 - Mining, Oil and Gas 22.3%
 - Arts and Entertainment 9.5%
- Sectors expected to lead capital spending growth in 2019:
 - Mining, Oil and Gas 29.4%
 - Accommodation and Food Services 25%
 - Wholesale Trade 17.9%
 - Finance and Insurance 14.2%
 - Transportation and Warehousing 13.5%

Domestic Demand

- Since 2015, Manitoba's population increased by 1.5% annually, the second highest among provinces.
- Manitoba's population increased by 1.7% in 2016 and by 1.6% in 2017, the second highest among provinces in both years.

Dépenses en capital

- Les dépenses en capital du secteur privé ont augmenté de 10,1 % en 2018, soit la plus forte hausse parmi les provinces.
- Les dépenses en capital pour la machinerie et l'équipement devraient augmenter de 6,0 % en 2019, soit la hausse la plus élevée parmi les provinces.
- Jusqu'à présent en 2019, la valeur des permis de construction au Manitoba a progressé de 15,6 %, soit la troisième hausse en importance parmi les provinces.
 - Jusqu'à maintenant en 2019, augmentation de 38,1 % pour les permis de construction non résidentielle.
 - Jusqu'à maintenant en 2019, augmentation de 30,6 % pour les permis de construction commerciale.
 - Jusqu'à maintenant en 2019, augmentation de 5,7 % pour les permis de construction industrielle.
 - Jusqu'à maintenant en 2019, augmentation de 119,4 % pour les permis de construction gouvernementale et institutionnelle.
- Secteurs moteurs de croissance des dépenses en capital en 2018 :
 - Finance et assurance 97,6 %
 - Produits manufacturés 49,8 %
 - Transport et entreposage 27 %
 - Mines, pétrole et gaz 22,3 %
 - Arts et divertissement 9,5 %
- Secteurs qui devraient tirer la croissance des dépenses en capital en 2019 :
 - Mines, pétrole et gaz 29,4 %
 - Services d'hébergement et de restauration 25 %
 - Commerce de gros 17,9 %
 - Finance et assurance 14,2 %
 - Transport et entreposage 13,5 %

Demande intérieure

- Depuis 2015, la population du Manitoba a augmenté de 1,5 % par année, soit la deuxième hausse en importance parmi les provinces.
- La population manitobaine a augmenté de 1,7 % en 2016, et de 1,6 % en 2017, ce qui représente la deuxième hausse en importance parmi les provinces pour ces deux années.

- Retail sales increased by 2.9% in 2018, second best in Canada.
- All motor vehicle sales increased by 7.4% in 2018, best in Canada and following a 10% increase in 2017, second best.
 - Truck and SUV sales increased by 7.3% in 2018, best in Canada, following a 15.3% increase in 2017 also best in Canada. The increase in 2017 was the best for Manitoba in 20 years.
 - Passenger motor vehicle sales increased by 8.1% in 2018, best in Canada.
- Manitoba housing starts increased by 22.5% so far in 2019, the second highest among provinces.
- Average weekly earnings increased on average by 2.5% annually over the last five years (2014-2018), the second highest among provinces.
- Total farm cash receipts reached \$6.6 billion in 2018, the second highest in Manitoba following a record \$6.7 billion in 2017.
- Les ventes au détail ont progressé de 2,9 % en 2018, soit la deuxième hausse en importance au Canada.
- Les ventes de véhicules automobiles ont augmenté de 7,4 % en 2018, ce qui représente la plus forte hausse au pays. En 2017, la hausse dans ce secteur avait été la deuxième en importance (10 %).
 - Les ventes de camions et de VUS ont grimpé de 7,3 % en 2018. Cette hausse a été la plus élevée au Canada, ce qui avait déjà été le cas en 2017 (15,3 %). En 2017, le Manitoba avait connu sa plus forte hausse en 20 ans dans ce domaine.
 - Les ventes de voitures de tourisme ont augmenté de 8,1 % en 2018, soit la plus forte hausse au Canada.
- Jusqu'à présent en 2019, les mises en chantier au Manitoba ont grimpé de 22,5 %, soit la deuxième hausse en importance parmi les provinces.
- La rémunération hebdomadaire moyenne a progressé de 2,5 % par an en moyenne au cours des cinq dernières années (2014-2018), ce qui représente la deuxième hausse en importance parmi les provinces.
- En 2018, les recettes monétaires agricoles totales ont atteint 6,6 milliards de dollars, un niveau qui n'a été dépassé au Manitoba qu'en 2017, avec un chiffre record de 6,7 milliards de dollars.

External Demand

- Exports to the U.S. were up 22.5% in 2018, best among provinces.
- International exports increased by 12.2% in 2018, the third highest among provinces.

Demande extérieure

- Les exportations vers les États-Unis ont progressé de 22,5 % en 2018, soit la plus forte hausse parmi les provinces.
- Les exportations internationales ont augmenté de 12,2 % en 2018, soit la troisième hausse en importance parmi les provinces.

Labour Market

- Manufacturing employment is up 5.6% so far in 2019, the second highest among provinces and best for Manitoba since 2000.
- Manitoba has the third highest labour force participation rate and labour force employment rate in 2019.
- Part-time employment increased by 2.4% in 2018, second highest among provinces.

Marché du travail

- L'emploi dans le secteur manufacturier a augmenté de 5,6 % jusqu'à maintenant en 2019, soit la deuxième hausse en importance parmi les provinces et la plus forte au Manitoba depuis 2000.
- En 2019, le Manitoba se classe troisième concernant le taux d'activité et le taux d'emploi.
- L'emploi à temps partiel a progressé de 2,4 % en 2018, soit le deuxième taux en importance parmi les provinces.

- Private sector self-employment increased by 5.0% in 2018, second highest among provinces.
- Labour force increased by 1.2% in 2018, third highest among provinces.
- Total employment in Manitoba is up 1.2% in 2019 (year-to-date).
 - Private sector employment increased by 1.5%.
 - Private sector employees increased by 2.2%
 - Full-time employment is up 1.2%.
 - Part-time employment is up 1.4%.
 - Leading sector in employment growth in 2019 (year-to-date).
 - Transportation and equipment 10.7%
 - Construction 9.7%
 - Professional and management services 7.9%
 - Manufacturing 5.6%
- Le travail autonome dans le secteur privé a augmenté de 5,0 % en 2018, soit le deuxième taux en importance parmi les provinces.
- En 2018, la population active a connu une hausse de 1,2 %, soit le troisième taux en importance parmi les provinces.
- En 2019 (depuis le début de l'exercice), l'emploi total au Manitoba a progressé de 1,2 %.
 - L'emploi dans le secteur privé a augmenté de 1,5 %.
 - Le nombre d'employés dans le secteur privé a augmenté de 2,2 %.
 - L'emploi à temps plein a augmenté de 1,2 %.
 - L'emploi à temps partiel a augmenté de 1,4 %.
 - Secteur moteur de croissance de l'emploi en 2019 (depuis le début de l'exercice)
 - Transport et équipement 10,7 %
 - Construction 9,7 %
 - Services professionnels et de gestion 7,9 %
 - Produits manufacturés 5,6 %

Risks and Uncertainties

The Manitoba economy and associated growth and revenue forecasts can be affected by factors beyond provincial borders and control, such as global and Canadian economic growth, trade uncertainties, commodity prices, and exchange and interest rates. Fluctuations in Manitoba's economic output and jobs affect incomes earned by Manitoba households and businesses, which, in turn, affect government revenues.

Tax Revenues

Combined personal and corporate income tax revenues were \$193 million higher than forecasted at Budget 2018. The notable increase in personal income tax revenue was driven primarily by growth in household incomes.

The \$153 million increase in personal income taxes is, in part, estimated to be attributable to the continued unwinding of tax planning that occurred as a result of the introduction of the top federal income tax rate in 2016.

The increase in corporate income tax revenue of \$40 million is primarily a result of increases in corporate profits.

Risques et incertitudes

L'économie manitobaine et les prévisions de croissance et de revenus connexes peuvent être influencées par des facteurs hors des frontières et sur lesquels la Province n'a pas de prise, comme la croissance économique mondiale et canadienne, les incertitudes commerciales, les prix des produits de base et les taux de change et d'intérêt. Les fluctuations de la production économique et des emplois du Manitoba influent sur les revenus des ménages et des entreprises de la province, qui à leur tour, influent sur les recettes du gouvernement.

Recettes fiscales

Les recettes combinées de l'impôt sur le revenu des particuliers et sur les bénéfices des sociétés étaient de 193 millions de dollars plus élevées que prévu dans le budget de 2018. La hausse importante des recettes tirées de l'impôt sur le revenu des particuliers est principalement attribuable à la croissance des revenus des ménages.

On estime que la hausse de 153 millions de dollars des recettes tirées de l'impôt sur le revenu des particuliers est en partie attribuable à la prolongation maintenue de la planification fiscale à la suite de l'instauration de la tranche supérieure d'imposition fédérale en 2016.

L'augmentation de 40 millions de dollars des recettes tirées de l'impôt sur les bénéfices des sociétés découle principalement de l'augmentation de ces bénéfices.

Other tax revenue sources were \$115 million lower than expected mainly due to the non-implementation of the carbon tax, which resulted in a \$143 million shortfall compared to budgeted revenue, and from lower tobacco consumption, which resulted in \$14 million less in revenue.

Les autres sources de recettes fiscales ont été inférieures de 115 millions de dollars comparativement aux prévisions, principalement en raison de la non-application de la taxe sur le carbone, qui a causé un manque à gagner de 143 millions de dollars par rapport aux recettes prévues au budget, et en raison de la réduction de la consommation de tabac, qui a entraîné une baisse de 14 millions de dollars des recettes.

The Manitoba Health and Post-Secondary Education Tax Levy that is levied on payroll was \$24 million higher due to stronger-than-expected growth in industrial earnings; in line with higher personal income tax revenue.

L'impôt destiné aux services de santé et à l'enseignement postsecondaire du Manitoba, qui est prélevé sur la masse salariale, a augmenté de 24 millions de dollars en raison d'une croissance plus forte que prévu des gains industriels, parallèle à un.

**PUBLIC ACCOUNTS
VOLUME 1
FOR THE YEAR ENDED
MARCH 31, 2019**

**VOLUME 1
DES COMPTES PUBLICS
POUR L'EXERCICE TERMINÉ
LE 31 MARS 2019**

INTRODUCTION TO THE PUBLIC ACCOUNTS OF MANITOBA/ INTRODUCTION AUX COMPTES PUBLICS DU MANITOBA

Nature of the Public Accounts

The Public Accounts of Manitoba are prepared annually by statutory requirement in accordance with section 65(1) of The Financial Administration Act, which is Chapter F55 of the Continuing Consolidation of the Statutes of Manitoba. The Public Accounts reflect the summary financial position of the Government and the operating results for the fiscal year of the Government, which ends on March 31.

The information contained in the report originates from two sources:

- the summarized financial information presented in the accounts of Manitoba, maintained by the Provincial Comptroller; and
- the detailed records, maintained by departments, government organizations, government business enterprises and government business partnerships.

Each department and public sector organization is responsible for reconciling its accounts to the control accounts of the Provincial Comptroller, and for maintaining detailed records of the transactions in their accounts.

Format of the Public Accounts of Manitoba

The Public Accounts of Manitoba consists of the following volumes:

Volume 1 presents the Economic Report, the Financial Statement Discussion and Analysis, Strategic Outcomes and Financial Forecast, the audited Summary Financial Statements of the Government, and financial reports on the Rainy Day Fund;

Volume 2 presents the audited Schedule of Public Sector Compensation Payments of \$75,000 or more and the Government Departments' and Special Operating Agencies' payments in excess of \$50,000 that do not require an audit; and

Volume 3 presents statutory reporting requirements and other supplementary schedules including the first report on cannabis related revenue and expenses.

Nature des comptes publics

Les comptes publics du Manitoba sont préparés tous les ans par obligation légale, conformément au paragraphe 65(1) de la Loi sur la gestion des finances publiques, chapitre F55 de la Codification permanente des lois du Manitoba. Les comptes publics présentent la situation financière sommaire du gouvernement et les résultats de ses activités pour l'exercice financier du gouvernement, qui se termine le 31 mars.

Les renseignements fournis dans le rapport proviennent de deux sources:

- le résumé de l'information financière présentée dans les comptes du Manitoba, qui sont tenus par le contrôleur de la province;
- les registres détaillés, qui sont tenus par les ministères, des organismes publics, des entreprises publiques et des partenariats commerciaux publics.

Chacun des ministères et des organismes du secteur public est responsable du rapprochement de ses comptes et des comptes collectifs tenus par le contrôleur de la province, et de la tenue de registres détaillés de leurs opérations comptables.

Composition des comptes publics du Manitoba

Les comptes publics du Manitoba comprennent trois volumes:

Le **volume 1** présente le rapport économique, le rapport d'analyse des états financiers, résultats stratégiques et prévisions financières, les états financiers sommaires vérifiés du gouvernement, ainsi que les rapports financiers sur le compte de stabilisation des revenus.

Le **volume 2** présente la liste vérifiée des paiements de rémunération du secteur public de 75 000 \$ ou plus, ainsi que les paiements de plus de 50 000 \$ qui n'exigent pas de vérification et qui sont versés par les ministères gouvernementaux et par les organismes de service spécial.

Le **volume 3** présente des rapports exigés par la loi et d'autres annexes supplémentaires, y compris le premier rapport sur les recettes et les dépenses liées au cannabis.

Volume 4 contains a compendium of financial statements of special funds, government organizations, government business enterprises and government business partnerships comprising the Government Reporting Entity (GRE).

Volume 1: Annual Report for the Year ended March 31, 2019 - This volume contains the following specific information:

Financial Statement Discussion and Analysis - This section provides a written commentary on the summary financial statements plus additional information on the financial and economic performance of the Provincial Government. The information contained in the Financial Statement Discussion and Analysis section is taken from the March 31, 2019 summary financial statements.

Strategic Outcomes and Financial Forecast – This section provides a listing of the significant accomplishments, initiatives and outcome highlights achieved by each department in 2018/19. It also includes the revised Path to Balance and the Net Debt to GDP Forecast.

Summary Financial Statements - These audited statements disclose the financial impact of the Government's activities. Only the Government's summary financial statements provide the key information on the financial activities of the entire Government. The summary financial statements include the financial results of the approximately 170 different agencies the Government uses to deliver its goods and services. The GRE includes the core Government, government business enterprises and government business partnerships, and government organizations such as regional health authorities, school divisions, universities and colleges. The departments and entities comprising the GRE are disclosed in Schedule 8 of the summary financial statements.

The summary financial statements also provide the following key financial information:

- the Government's financial position at March 31 each year;
- the results of its operations for the year;
- what revenue it brought in and what it spent (i.e. annual surplus or deficit);
- how much it borrowed, repaid or refinanced;

Le **volume 4** comprend un recueil des états financiers des fonds spéciaux, des organismes publics, des entreprises publiques et des partenariats commerciaux publics inclus dans le périmètre comptable du gouvernement.

Volume 1 : Rapport annuel pour l'exercice terminé le 31 mars 2019 – ce volume contient l'information financière suivante :

États financiers – analyse et discussion – cette section fournit un exposé écrit des états financiers sommaires, ainsi que des renseignements additionnels sur la performance financière et économique du gouvernement provincial. Les renseignements contenus dans l'analyse des états financiers sont tirés des états financiers sommaires pour l'exercice terminé le 31 mars 2019.

Résultats stratégiques et prévisions financières – cette section dresse la liste des réalisations, initiatives et résultats notables de chaque ministère en 2018-2019. Elle comprend également le Chemin révisé vers l'équilibre et la prévision du ratio de la dette nette au PIB.

États financiers sommaires – ce sont des états vérifiés qui précisent l'incidence financière des activités du gouvernement. Seuls les états financiers sommaires du gouvernement fournissent des renseignements clés sur les activités financières de tout le gouvernement. Ces états comprennent les résultats financiers des quelque 170 organismes différents dont se sert le gouvernement pour fournir des biens et des services. Le périmètre comptable du gouvernement inclut les opérations fondamentales du gouvernement, des entreprises publiques, des partenariats commerciaux publics et des organismes publics tels que les offices régionaux de la santé, les divisions scolaires, les universités et les collèges. Les ministères et les organismes compris dans le périmètre comptable du gouvernement figurent à l'annexe 8 des états financiers sommaires.

Les états financiers sommaires contiennent aussi les renseignements financiers clés suivants:

- la situation financière du gouvernement au 31 mars chaque année;
- les résultats des activités de l'exercice;
- le total des revenus et des charges (c'est-à-dire, l'excédent ou le déficit annuel);
- les sommes empruntées, remboursées ou refinancées;

- how it obtained and used its cash.

Other Financial Reports – This section includes audited reports on information other than financial statements, including the Rainy Day Fund.

Volume 2: Supplementary Information - This volume contains the following specific information:

Schedule of Public Sector Compensation of \$75,000 or More - This audited schedule contains payments of \$75,000 or more as paid through Government Departments as well as those paid by Special Operating Agencies, as required by The Public Sector Compensation Disclosure Act.

Statement of Payments in Excess of \$50,000 to Corporations, Firms, Individuals, Other Governments and Government Agencies - Included are details of Consolidated Fund and Special Operating Agencies' payments in excess of \$50,000 to corporations, firms, individuals, other governments and government agencies.

Volume 3: Supplementary Schedules and Other Statutory Reporting Requirements - This volume contains unaudited statements, schedules and other information, as well as the audited financial statements for the Northern Affairs Fund.

Volume 4: This volume contains a compendium of financial statements of special funds, government organizations, government business enterprises and government business partnerships comprising the Government Reporting Entity.

The Public Accounts of Manitoba are available online at:

www.gov.mb.ca/finance

- les sommes obtenues et la façon dont elles ont été utilisées.

Autres rapports financiers – Cette section comprend des rapports audités portant sur l'information autre que les états financiers, y compris au sujet du compte de stabilisation des revenus.

Volume 2 : Supplément d'information — ce volume contient l'information suivante :

Liste des paiements de rémunération du secteur public de 75 000 \$ ou plus – cette liste vérifiée présente les paiements de 75 000 \$ ou plus, qu'il s'agisse des paiements versés par les ministères gouvernementaux ou de ceux versés par les organismes de service spécial, conformément aux exigences de la Loi sur la divulgation de la rémunération dans le secteur public.

État des paiements de plus de 50 000 \$ versés à des sociétés, à des entreprises, à des particuliers, à d'autres gouvernements et à des organismes du gouvernement – cet état contient la liste des paiements de plus de 50 000 \$ versés par le Trésor ou par les organismes de service spécial à des sociétés, à des entreprises, à des particuliers, à d'autres gouvernements et à des organismes du gouvernement.

Volume 3 : Annexes supplémentaires et autres rapports prévus par la loi – ce volume contient des états, des annexes et d'autres renseignements non audités ainsi que des déclarations financières auditées du Fonds des affaires du Nord.

Volume 4 : ce volume comprend un recueil des états financiers des fonds spéciaux, des organismes publics, des entreprises publiques et des partenariats commerciaux publics inclus dans le périmètre comptable du gouvernement.

Les comptes publics du Manitoba peuvent être consultés en ligne au :

www.gov.mb.ca/finance/index.fr.html.

**FINANCIAL STATEMENT DISCUSSION AND ANALYSIS REPORT
RAPPORT D'ANALYSE DES ÉTATS FINANCIERS**

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Note: Prior period actuals have been restated to be consistent with the 2018-2019 presentation.

Remarque : les chiffres réels des périodes antérieures ont été rajustés afin d'être conformes à la présentation de 2018-2019.

2018/19 FINANCIAL HIGHLIGHTS

FAITS SAILLANTS 2018-2019

Financial Highlights/*Faits saillants*

At a Glance/*Aperçu*

Financial Results/*Résultats financiers*

(\$ millions)/(en millions de dollars)

	2019		2018	Change from/ <i>Écart</i>	
	Budget <i>Budget</i>	Actual <i>Chiffres réels</i>	Actual <i>Chiffres réels</i>	Budget <i>Budget</i>	Actual <i>Chiffres réels</i>
Revenue/Recettes	16,787	16,975	16,152	188	823
Expenses/Dépenses	16,389	16,138	15,894	(251)	244
In-Year Adjustment/Lapse*					
<i>Ressources non utilisées/rajustements en cours d'exercice*</i>	(115)	-	-	115	-
Debt Servicing/Service de la dette	1,034	1,000	952	(34)	48
Summary Net Income (Loss)/ <i>Recettes (pertes) nettes sommaires</i>	(521)	(163)	(694)	358	531
Net Debt/La dette nette	(25,044)	(24,999)	(24,345)	45	(654)

* Note: Adjustments/Lapse was budgeted as an increase in revenue and/or a decrease in expenditures. Actual results are represented within the Revenue and Expenditure items in the revenue categories and expenditure sectors listed above.

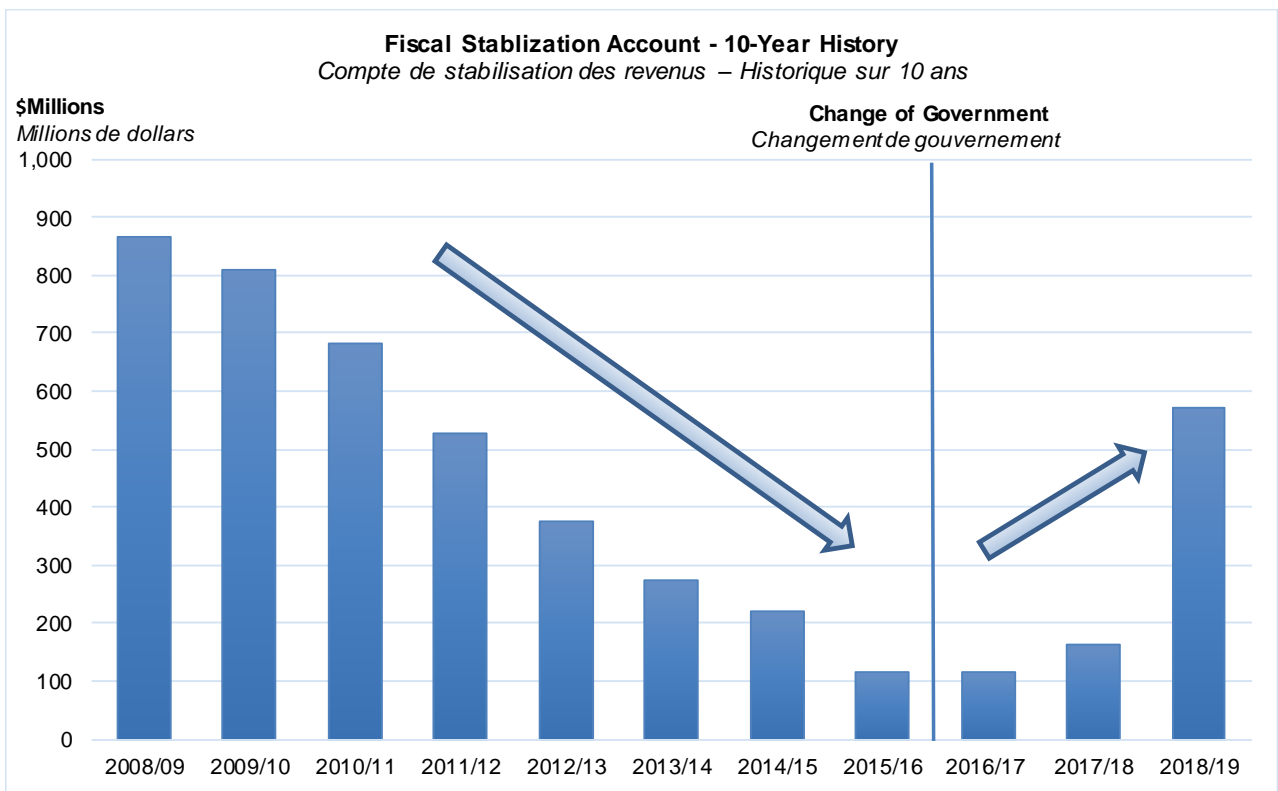
* Remarque : les ressources non utilisées et les rajustements étaient inscrits au budget en tant qu'augmentation des recettes ou que réduction des dépenses. Les résultats réels sont indiqués dans les éléments des revenus et des dépenses dans les catégories de recettes et les secteurs de dépenses énumérés ci-dessus.

The highlights section provides a summary of the key events affecting the summary financial statements for the 2018/19 fiscal year with comparisons to results for the previous fiscal year, as applicable.

Les faits saillants résumant les éléments clés des états financiers sommaires pour l'exercice 2018-2019 et les comparent aux résultats de l'exercice précédent, s'il y a lieu.

- Manitoba's economy remains stable, bolstered by continued strong growth in private capital investment and a growing population. Real GDP eased to 1.2% in 2018, but growth in incomes strengthened compared to 2017 and resulted in strong own-source revenues in 2018/19.
- Government succeeded in its efforts to control expenditures for the third consecutive year, and these results have been achieved far ahead of schedule. The summary financial statements show a net loss of \$163 million for the fiscal year ended March 31, 2019. That is \$358 million below the \$521 million deficit that was estimated at the beginning of the fiscal year.
- Government surpassed its targets under Manitoba's balanced budget law, which required government to reduce the deficit by \$100 million this year.
- L'économie du Manitoba demeure stable, soutenue par une croissance forte et continue des investissements de capitaux privés et par une population croissante. Le PIB réel s'est replié à 1,2 % en 2018, mais la croissance des revenus s'est renforcée par rapport à 2017 et s'est traduite par de fortes recettes autonomes en 2018-2019.
- Le gouvernement a réussi à contrôler les dépenses pour la troisième année consécutive, et ces résultats ont été atteints bien avant la date prévue. Les états financiers sommaires montrent une perte nette de 163 millions de dollars pour l'exercice qui s'est terminé le 31 mars 2019. Cette somme est inférieure de 358 millions de dollars au déficit qui était estimé au début de l'exercice (521 millions de dollars).
- Le gouvernement a dépassé ses objectifs définis dans le cadre des mesures législatives provinciales sur l'équilibre budgétaire, qui exigeaient du gouvernement qu'il réduise son déficit de 100 millions de dollars cette année.

- The in-year savings are driven by many one-time, non-recurring events. In order to take advantage of this one-time fiscal “windfall”, \$357 million is being added to the \$50 million budgeted for deposit into the Rainy Day Fund.
- The balance of \$572 million in the Rainy Day Fund has reached its highest level since 2010/11 (see table below). These funds will be available for future operating requirements of the Government of Manitoba.
- Les économies réalisées en cours d’exercice sont attribuables à de nombreux événements ponctuels et non récurrents. Afin de profiter de cette « manne financière » ponctuelle, 357 millions de dollars sont ajoutés aux 50 millions qui seront déposés dans le fonds de réserve en cas d’imprévu.
- Le solde de plus 572 millions de dollars du fonds de réserve en cas d’imprévu a atteint son plus haut niveau depuis 2010-2011 (voir le tableau ci-dessous). Ces fonds seront disponibles pour répondre aux besoins opérationnels futurs du gouvernement du Manitoba.



Many of the revenue gains and expenditure savings in 2018/19 are non-recurring.

Bon nombre des gains de recettes et des économies de dépenses en 2018-2019 ne sont pas récurrents.

Revenue

- Revenues increased by \$823 million or 5.1% over the prior year – the largest single year revenue growth in over a decade. The average annual rate of growth in provincial revenues since 2007/08 is 3.3%.
- The increase was driven by strong growth in personal and corporation income tax and

Recettes

- Les recettes ont augmenté de 823 millions de dollars, ou de 5,1 %, par rapport à l’exercice précédent, soit la plus forte croissance des recettes en une seule année en plus de dix ans. Le taux de croissance annuel moyen des recettes provinciales depuis 2007-2008 est de 3,3 %.
- Cette hausse est attribuable à la forte croissance des recettes tirées de l’impôt sur le revenu des particuliers et des sociétés et de la taxe de vente,

sales tax revenues, major federal transfers and income from government business enterprises, most notably Manitoba Hydro and Manitoba Public Insurance Corporation.

- Income taxes were \$193 million better than the budget plan, reflecting strong economy and job growth. Some of this will be a baseline recovery from the impact of federal tax measures and the ensuing tax planning, income shifting and income sharing, that was reflected in the 2017/18 Public Accounts.
- Carbon Taxes were not implemented; removing \$143 million from the budget plan.
- Tuition Fees were \$25 million above the budget plan, reflecting higher than forecast number of international students attending both public schools and post-secondary institutions.
- Federal Transfers were \$25 million above the budget plan, primarily because of the Canada-Manitoba affordable housing agreement.
- Manitoba Hydro's net income was \$21 million above the budget estimate, driven by a colder winter than expected.
- Manitoba Public Insurance Corporation's net income was \$100 million favourable to the budget plan, reflecting unexpected one-time gains on dispositions of equities to transition their investment portfolio to a new asset allocation strategy for 2019/20.

Expenses

- Expenditure growth was held to 1.6%, and is \$285 million under budgeted expenses for the year.

des principaux transferts fédéraux et des recettes des entreprises publiques, plus particulièrement de Manitoba Hydro et de la Société d'assurance publique du Manitoba.

- Les recettes tirées de l'impôt sur le revenu des particuliers et des sociétés ont été supérieures de 193 millions de dollars au montant prévu dans le plan budgétaire, en raison de la vigueur de l'économie et de la croissance de l'emploi. Une partie de cette somme correspondra à un recouvrement de base de l'incidence des mesures fiscales fédérales et de la planification fiscale, des transferts de revenus et du partage des revenus qui en ont découlé, comme en témoignent les comptes publics de 2017-2018.
- Les taxes sur le carbone n'ont pas été mises en œuvre, ce qui a entraîné le retrait de 143 millions de dollars du plan budgétaire.
- Les frais de scolarité ont dépassé de 25 millions de dollars le montant prévu dans le plan budgétaire, en raison du nombre plus élevé que prévu d'étudiants étrangers fréquentant les écoles publiques et les établissements d'enseignement postsecondaire.
- Les transferts fédéraux ont dépassé de 25 millions de dollars le montant prévu dans le plan budgétaire, principalement en raison de l'entente Canada-Manitoba sur le logement abordable.
- Les recettes nettes de Manitoba Hydro ont dépassé de 21 millions de dollars les prévisions budgétaires, en raison d'un hiver plus froid que prévu.
- La Société d'assurance publique du Manitoba a contribué favorablement au plan budgétaire avec des recettes nettes de 100 millions de dollars, conséquence de gains imprévus non récurrents sur les cessions d'actions visant à faire passer son portefeuille de placements à une nouvelle stratégie de répartition de l'actif pour 2019-2020.

Dépenses

- La croissance des dépenses a été maintenue à 1,6 % et est inférieure de 285 millions de dollars aux dépenses prévues au budget pour l'exercice.

- All but two ministries came in under budget. This is virtually unprecedented. The two ministries are over budget due to unique events that were not ongoing or operational in nature.
- Agriculture made a transfer of \$124 million from the insurance reserves in Manitoba Agricultural Services Corporation to the Production and Hail Insurance Trust Funds. These trust funds are held for the benefit of agricultural producers in Manitoba and are not government assets.
- Manitoba Film and Video Production Tax Credit claims, which are reported in Sport, Culture and Heritage, came in higher than forecast. The Manitoba film and video production sector has experienced extraordinary and unprecedented growth in the last few years and tax credit claims are beginning to reflect that expansion.
- Health, Seniors and Active Living came in \$215 million under budget. The actual results are in line with the 2018/19 Third Quarter Fiscal and Economic Update. Approximately \$133 million reflects an accounting reset and the remainder is lapsed money due to health care system efficiencies. Spending on health care was \$103 million higher than 2017/18.
- Education and Training is \$79 million below budget, mostly due to lapsed money in public schools and post-secondary institutions.
- Debt serving costs were \$34 million lower than budget, reflecting lower interest rates. Borrowing costs have reached \$1 billion for the first time in Manitoba's history.
- Tous les ministères, sauf deux, ont dépensé moins que les prévisions budgétaires. C'est pratiquement sans précédent. Les deux ministères qui ont dépassé leur budget l'ont fait en raison d'événements uniques qui n'étaient pas de nature permanente ou opérationnelle.
- Le ministère de l'Agriculture a effectué un transfert de 124 millions de dollars des réserves d'assurance de la Société des services agricoles du Manitoba aux fonds en fiducie pour l'assurance-production et pour l'assurance contre la grêle. Ces fonds en fiducie sont destinés aux producteurs agricoles du Manitoba et ne constituent pas des actifs du gouvernement.
- Les demandes de crédit d'impôt du Manitoba pour la production de films et de vidéos, qui sont incluses dans le budget du ministère du Sport, de la Culture et du Patrimoine, ont été plus élevées que prévu. Le secteur de la production cinématographique et vidéographique du Manitoba a connu une croissance extraordinaire et sans précédent au cours des dernières années et les demandes de crédits d'impôt commencent à traduire ce développement.
- Les dépenses du ministère de la Santé, des Aînés et de la Vie active ont été inférieures de 215 millions de dollars au budget. Les résultats réels sont conformes à la mise à jour économique et financière du troisième trimestre de 2018-2019. Environ 133 millions de dollars correspondent à un rajustement comptable et le reste est constitué de fonds inutilisés résultant de gains d'efficacité dans le système de soins de santé. Les dépenses en soins de santé ont dépassé de 103 millions de dollars celles de 2017-2018.
- Les dépenses du ministère de l'Éducation et de la Formation sont inférieures de 79 millions de dollars à ce qui était prévu au budget, principalement en raison des fonds inutilisés dans les écoles publiques et les établissements d'enseignement postsecondaire.
- Les frais de service de la dette ont été inférieurs de 34 millions de dollars aux prévisions budgétaires, ce qui reflète la baisse des frais d'intérêt. Les coûts d'emprunt ont atteint un milliard de dollars pour la première fois dans l'histoire du Manitoba.

FINANCIAL CONDITION OF THE GOVERNMENT

The Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada), through a statement of recommended practices, suggests a number of financial indicators to assist in the assessment of a government's financial condition. There are no established public sector benchmarks for these indicators. The indicators, expressed as ratios or trends, provide a picture of what has occurred over a period of years to facilitate comparisons and assist in the assessment of the Government's financial health in the context of the current economic and financial environment. The recommended indicators are grouped into three categories:

- (1) **Sustainability** - measures a government's ability to maintain its programs without the need to increase its borrowings.
- (2) **Flexibility** - how well a government can respond to rising financial commitments by either expanding its revenue or increasing its borrowings.
- (3) **Vulnerability** - how much a government relies on revenue sources beyond its direct control or influence, both domestic and internationally.

Source of Data and its Limitations

The financial indicators in this report use key financial information from the audited summary financial statements. Economic information is obtained from Statistics Canada and the Manitoba Bureau of Statistics. Comparative data presented is not adjusted for inflation. Comparative results are restated to conform to any changes in accounting policy or presentation adopted in the current fiscal year. The financial indicators in this section present the results in the same format as presented in the Public Accounts of Manitoba.

The Government's 2018/19 Financial Condition

This section describes the Government's financial health using CPA Canada's three indicator categories of sustainability, flexibility, and vulnerability. The section also describes each category and the related indicators. For each indicator, it provides trend data for Manitoba and highlights key trends.

LA SITUATION FINANCIÈRE DU GOUVERNEMENT

Le Conseil sur la comptabilité dans le secteur public de Comptables professionnels agréés du Canada (CPA Canada) publie un énoncé de pratiques recommandées dans lequel il suggère divers indicateurs financiers utiles à l'évaluation de la situation financière des gouvernements. Les indicateurs proposés ne sont pas associés à des valeurs de référence pour le secteur public. Ils correspondent plutôt à des ratios ou à des indicateurs de tendance qui dressent le portrait de la situation pendant un nombre donné d'exercices, pour faciliter les comparaisons et aider à l'évaluation de la santé financière du gouvernement dans la conjoncture économique et financière courante. Les indicateurs recommandés sont regroupés dans trois catégories :

- (1) **La durabilité** – mesure la capacité d'un gouvernement de maintenir ses programmes sans avoir à accroître ses emprunts.
- (2) **La flexibilité** – mesure la capacité d'un gouvernement de faire face à des engagements financiers grandissants en accroissant ses recettes ou en s'endettant davantage.
- (3) **La vulnérabilité** – mesure le degré de dépendance d'un gouvernement à l'égard de sources de recettes qui échappent à son pouvoir direct ou à son influence, sur le plan tant national qu'international.

Les sources de données et leurs limites

Les indicateurs financiers exposés dans le présent rapport se fondent sur des données financières clés contenues dans les états financiers sommaires audités. Les données économiques proviennent de Statistique Canada et du Bureau des statistiques du Manitoba. Les données comparatives présentées ne sont pas ajustées en fonction de l'inflation. Par contre, les résultats comparatifs sont retraités pour tenir compte de la méthode comptable ou de la présentation adoptée au cours de l'exercice financier considéré. Les indicateurs financiers de la présente section exposent les résultats dans le même format que celui des comptes publics du Manitoba.

La situation financière du gouvernement en 2018-2019

La présente section décrit la santé financière du gouvernement à l'aide des trois catégories d'indicateurs de CPA Canada, soit la durabilité, la flexibilité et la vulnérabilité. Elle décrit également chacune des catégories et les indicateurs qui y sont associés. Pour chacun des indicateurs, elle fournit des données sur les tendances dans la province et souligne les principales tendances.

Sustainability

As noted above, sustainability measures the ability of a government to meet its existing program commitments and creditor requirements without increasing its borrowings or tax burden.

Looking at trends for the following five indicators provides useful insight into the sustainability of a government's revenue-raising and spending practices:

- *Net Debt as a Percentage of Provincial GDP*: the relationship between a government's net debt and the income in the economy.
- *Net Debt-to-Total Annual Revenue*: the extent to which future revenues are required to pay for past transactions or events.
- *Accumulated Deficit-to-Provincial GDP*: the extent to which past and current deficits and surpluses influenced a government's ability to manage its indebtedness and operational challenges.
- *Annual Net Income (Loss)*: the extent to which a government is living within its means.
- *Annual Net Income (Loss)-to-Provincial GDP*: the extent to which current period results influenced net debt.

Net Debt as a Percentage of Provincial GDP

The Government manages its revenue-raising and spending practices with due regard to the provincial economy. Looking at net debt and provincial GDP provides insights into these practices.

Net debt - the difference between a government's total liabilities and total financial assets - provides a measure of the future revenue required to pay for past transactions and events. Net debt as a percentage of provincial GDP measures the level of future financial obligations placed on the economy by a government's cumulative spending and revenue-raising practices. It provides a measure of how much debt a government is

Durabilité

Comme nous l'avons indiqué plus tôt, la durabilité mesure la capacité d'un gouvernement d'assumer les engagements pris dans le cadre de ses programmes et de répondre aux exigences de ses créanciers sans avoir à accroître ses emprunts ou le fardeau fiscal.

L'observation des tendances qui se dégagent des cinq indicateurs suivants permet de se faire une idée concrète de la viabilité des pratiques du gouvernement en matière de dépenses et de production de recettes :

- *la dette nette en pourcentage du PIB provincial* : la relation entre la dette nette d'un gouvernement et les résultats de l'économie;
- *la dette nette en pourcentage des recettes annuelles totales* : dans quelle mesure les recettes à venir serviront à payer des opérations ou des événements passés;
- *le déficit accumulé en pourcentage du PIB provincial* : dans quelle mesure les déficits et les excédents passés et actuels influent sur la capacité d'un gouvernement de gérer son endettement et les difficultés dans ses activités;
- *les recettes nettes (pertes nettes) annuelles* : dans quelle mesure le gouvernement vit selon ses moyens;
- *les recettes nettes (pertes nettes) annuelles en pourcentage du PIB provincial* : dans quelle mesure les résultats de la période courante influent sur la dette nette.

La dette nette en pourcentage du PIB provincial

Le gouvernement adapte ses pratiques en matière de dépenses et de production de recettes en fonction de l'économie de la province. Le ratio de la dette nette au PIB provincial donne un aperçu des résultats de ces pratiques.

La dette nette, à savoir, le total des passifs du gouvernement moins le total de ses actifs financiers, indique les recettes qui devront être utilisées pour assumer financièrement des opérations ou des événements antérieurs. La dette nette en pourcentage du PIB provincial exprime le niveau d'obligations financières que devra assumer l'économie en raison des pratiques cumulatives en matière de dépenses et de production de recettes du

carrying relative to the Province's annual economic output.

In addition to the annual deficit, investment in capital improvements and replacement of deteriorating tangible capital assets, such as transportation infrastructure, result in increased net debt. As the tangible capital investments are acquired, debt is incurred and the costs are amortized over their future useful life, essentially allocating costs to the period over which the assets will be used and over a period in which revenue will be generated.

Growth in GDP must be taken into account to determine capacity to support debt. The GDP is a measure of the value of the goods and services produced in the Province during a given year. The GDP indicates the size of the provincial economy. The provincial economy grew steadily from \$62,314 million in 2013/14 to \$72,352 million in 2018/19 or by 16.1% during the five-year period. During this period, the annual consumer price index fluctuated between 1.2% and 2.5%.

Graph 1 shows that the net debt to GDP ratio at March 31, 2019 has increased slightly from 34.5% to 34.6%. This indicates that government is managing its resources and capital investments in line with the GDP growth.

Net debt for 2018/19 included a loss in other comprehensive income (OCI) of \$225 million, recorded by government business enterprises (GBEs). OCI represents unrealized gains or losses calculated at a point in time and can have a significant impact on the measurement of net debt. OCI is measured as the change in "mark-to-market" valuations, interest rates, and foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

Managing net debt while maintaining or increasing necessary investment in capital, including infrastructure, is a challenge faced by all provinces in Canada today. Global economic and financial market volatility has had an impact on growth in all jurisdictions including Manitoba.

gouvernement. Le pourcentage représente l'ampleur de la dette du gouvernement par rapport aux résultats économiques annuels de la province.

En plus du déficit annuel, des investissements dans l'amélioration des immobilisations et dans le remplacement des immobilisations corporelles sujettes à la détérioration, comme les infrastructures de transport, accroissent également la dette nette. Au fur et à mesure que la Province acquiert des immobilisations corporelles, elle contracte une dette, et le coût des nouvelles immobilisations est amorti sur leur vie utile, essentiellement en le passant en charges sur la période pendant laquelle les immobilisations seront utilisées et sur la période pendant laquelle elles produiront des recettes.

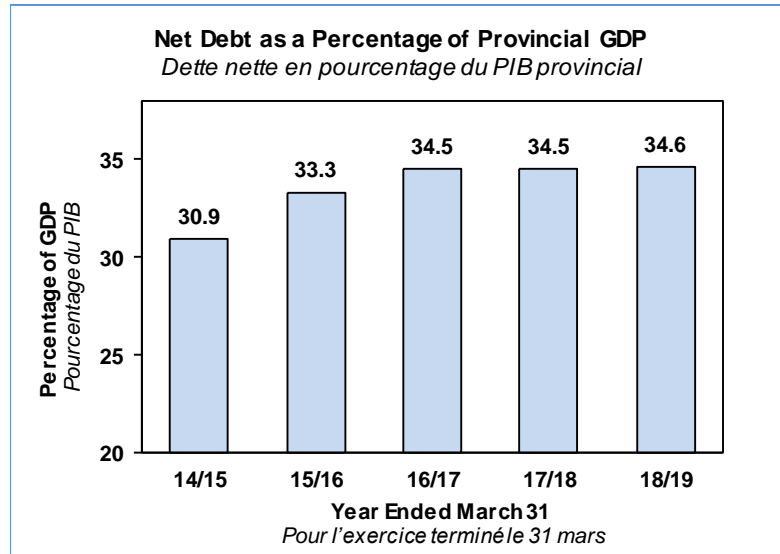
La croissance du PIB doit être prise en compte pour déterminer la capacité d'endettement. Le PIB est une mesure de la valeur des biens et des services produits dans la province au cours d'une année donnée. Il indique la taille de l'économie provinciale. L'économie provinciale a progressé de façon constante, passant de 62 314 millions de dollars en 2013-2014 à 72 352 millions de dollars en 2018-2019, ce qui représente une croissance de 16,1 % sur la période de cinq ans. Pendant cette période, l'indice annuel des prix à la consommation a oscillé entre 1,2 % et 2,5 %.

Le diagramme 1 montre que le ratio de la dette nette au PIB au 31 mars 2019 a légèrement augmenté, passant de 34,5 % à 34,6 %. Cela indique que le gouvernement gère ses ressources et ses investissements en immobilisations en fonction de la croissance du PIB.

La dette nette pour 2018-2019 comprenait une perte –enregistrée par les entreprises publiques– de 225 millions de dollars au titre des autres éléments du résultat étendu. Les autres éléments du résultat étendu représentent les profits ou pertes non réalisés calculés à un moment donné, et peuvent avoir des effets importants sur la mesure de la dette nette. Les autres éléments du résultat étendu sont mesurés d'après la variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date lors de l'exercice antérieur.

Gérer la dette nette tout en maintenant ou en augmentant les investissements nécessaires en immobilisations, y compris dans l'infrastructure, est un défi auquel toutes les provinces canadiennes sont aujourd'hui confrontées. L'instabilité économique mondiale et la volatilité des marchés financiers ont eu des effets sur la croissance partout au Canada, y compris au Manitoba.

Graph 1/Diagramme 1



Net Debt-to-Total Annual Revenue

Net debt is the amount that current and past generations have accumulated through annual losses and tangible capital investment. These amounts remain an obligation for future generations to fund through annual net income or to continue to carry as debt. It results when a government's total liabilities exceed total financial assets. A trend of increasing net debt-to-total annual revenue would indicate that an increasing amount of time will be needed to eliminate net debt.

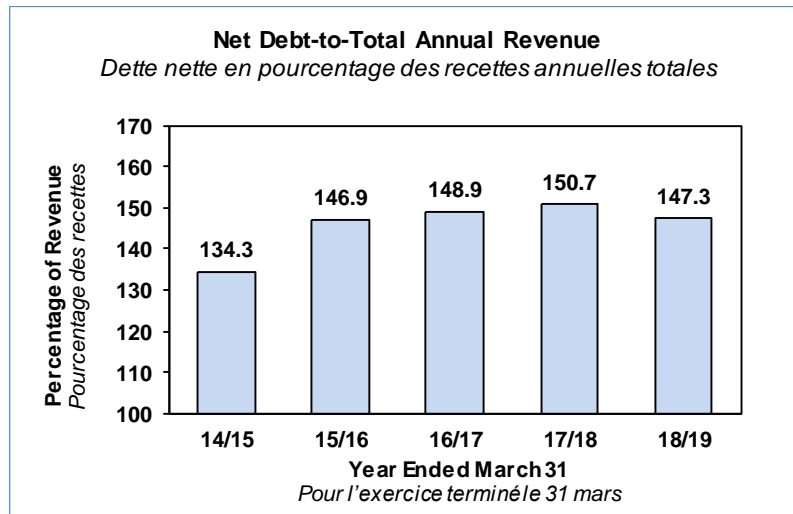
Since 2014/15, net debt-to-total annual revenue has increased from 134.3% to 147.3%, reflecting a past behaviour of unsustainable spending, unsustainable deficits and capital spending at unsustainable levels. Graph 2 shows the historical trend of net debt to annual revenues. In recent years, through strong financial stewardship, this measure has stabilized and is beginning to decline.

La dette nette en pourcentage des recettes annuelles totales

La dette nette correspond à la somme des pertes et des investissements en immobilisations corporelles accumulées d'exercice en exercice par les générations actuelles et passées. Cette somme est une dette que les générations futures doivent continuer à reporter ou financer à même les recettes nettes annuelles. On obtient une dette nette lorsque le total des passifs d'un gouvernement excède le total de ses actifs financiers. Une tendance à l'augmentation de la dette nette par rapport aux recettes annuelles totales signifierait que plus de temps serait nécessaire à l'élimination de la dette nette.

Depuis 2014-2015, le ratio entre la dette nette et les recettes annuelles totales est passé de 134,3 % à 147,3 %, une conséquence des comportements passés favorisant les dépenses insoutenables, les déficits non viables et des niveaux intenable de dépenses en immobilisations. Le diagramme 2 illustre l'évolution historique de la dette nette par rapport aux recettes annuelles. Ces dernières années, cette mesure s'est stabilisée grâce à une bonne gestion financière.

Graph 2/Diagramme 2



Accumulated Deficit-to-Provincial GDP

The accumulated deficit is the sum of all annual surpluses and deficits incurred to date, calculated according to current accounting policies. The accumulated deficit includes OCI, which is excluded from the calculation of the annual net income or loss. In accordance with recommendations of PSAB, OCI is not included in the Government's annual net operating results, but is instead recorded directly to the Province's statement of accumulated deficit. An OCI loss of \$225 million was recognized for 2018/19 (2017/18 - \$14 million loss).

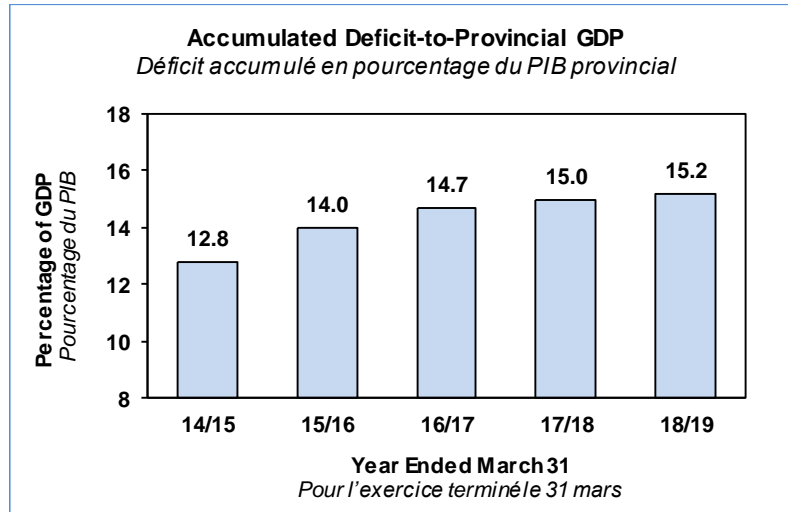
The accumulated deficit as at March 31, 2019 has increased \$2,766 million from 2014/15. Increases are primarily due to the operating losses incurred, other comprehensive income, and partially due to Manitoba Hydro's adoption of IFRS on April 1, 2015, with a transition date of April 1, 2014. This transition to IFRS resulted in an increase in the Government's accumulated deficit and net debt of \$610 million in 2014/15. Graph 3 shows the trend in accumulated deficit to provincial GDP since 2014/15.

Le déficit accumulé en pourcentage du PIB provincial

Le déficit accumulé est la somme de tous les excédents et déficits accumulés d'exercice en exercice jusqu'à ce jour, obtenue d'après des calculs conformes aux méthodes comptables en vigueur. Il comprend les autres éléments du résultat étendu, qui sont exclus du calcul des recettes nettes ou des pertes nettes de l'exercice. Conformément aux recommandations du Conseil sur la comptabilité dans le secteur public, les autres éléments du résultat étendu ne sont pas compris dans les résultats nets des activités de l'exercice du gouvernement, mais sont plutôt inscrits directement dans l'état du déficit accumulé de la Province. En 2018-2019, des pertes de 225 millions de dollars ont été inscrites au titre des autres éléments du résultat étendu (contre 14 millions de dollars de pertes en 2017-2018).

Au 31 mars 2019, le déficit accumulé avait augmenté de 2 766 millions de dollars par rapport à 2014-2015. Cette augmentation a été principalement due aux pertes d'exploitation subies et à d'autres éléments du résultat étendu, et en partie due à l'adoption des Normes internationales d'information financière par Manitoba Hydro le 1^{er} avril 2015 avec une date de transition du 1^{er} avril 2014. Cette transition vers ces normes a entraîné une augmentation du déficit accumulé du gouvernement et une dette nette de 610 millions de dollars en 2014-2015. Le diagramme 3 montre l'évolution du déficit accumulé en pourcentage du PIB provincial depuis 2014-2015.

Graph 3/Diagramme 3



Annual Net Income (Loss)

Manitoba incurred a net loss for the year ended March 31, 2019 of \$163 million.

The annual net income (loss) shows the extent to which a government generates revenues more or less than its operating expenses in one fiscal year.

Annual net income helps the Government maintain its services and provides an opportunity to lessen its borrowing needs. Annual net losses can impact a government's ability to deliver services and increase borrowing requirements.

Les recettes nettes (pertes nettes) annuelles

Le Manitoba a enregistré une perte nette de 163 millions de dollars pour l'exercice qui s'est terminé le 31 mars 2019.

Les recettes (pertes) nettes montrent dans quelle mesure le gouvernement génère plus ou moins de recettes que ses dépenses de fonctionnement pendant un exercice.

Les recettes nettes annuelles aident le gouvernement à maintenir ses services et à réduire ses besoins d'emprunts. Les pertes nettes annuelles peuvent avoir des incidences sur la capacité d'un gouvernement à fournir des services et accentuer les besoins d'emprunts.

Annual Net Income (Loss)-to-Provincial GDP

The ratio of net income (loss)-to-provincial GDP measures the difference between revenues and expenses expressed as a percentage of GDP.

Table 1 shows the five year trend in annual net income (loss) and annual net income (loss) to provincial GDP.

Les recettes nettes (pertes nettes) en pourcentage du PIB provincial

Le ratio entre les recettes nettes (pertes nettes) et le PIB provincial indique la différence entre les recettes et les dépenses en pourcentage du PIB.

Le tableau 1 montre l'évolution sur cinq ans des recettes (pertes) annuelles nettes et des recettes (pertes) annuelles nettes par rapport au PIB provincial.

Table 1/Tableau 1

Annual Net Income (Loss)

Les recettes nettes (perstes nettes) annuelles

	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
Revenue and Expense Items	Actual	Actual	Actual	Actual	Actual
<i>Éléments des recettes et des dépenses</i>	<i>Chiffres réels de 2018-2019</i>	<i>Chiffres réels de 2017-2018</i>	<i>Chiffres réels de 2016-2017</i>	<i>Chiffres réels de 2015-2016</i>	<i>Chiffres réels de 2014-2015</i>
	<i>(\$ millions)/(en millions de dollars)</i>				
Revenue					
<i>Recettes</i>	16,975	16,152	15,627	14,916	14,801
Total Expenses					
<i>Dépenses totales</i>	17,138	16,846	16,416	15,848	15,340
Summary Net Income (Loss)					
<i>Recettes (perstes) nettes sommaires</i>	(163)	(694)	(789)	(932)	(539)
Annual Net Income (Loss) to Provincial GDP					
<i>Recettes (perstes) nettes en pourcentage du PIB provincial</i>	(0.2%)	(1.0%)	(1.2%)	(1.4%)	(0.8%)

Flexibility

Flexibility is the degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenue or by increasing its net debt.

PSAB has recommended a number of financial indicators that assess a government's flexibility. The following indicators are considered applicable to provide insight into the Manitoba Government's flexibility:

- *Public Debt Charges to Total Revenue*: the extent to which borrowing decisions constrain a government's ability to meet financial and service commitments.
- *Own-Source Revenue to Provincial GDP*: the extent to which a government is taking income out of the economy through taxation and user fees.
- *Annual Change to Net Book Value of Tangible Capital Assets*: the extent to which net changes in tangible capital assets affect future service potential.

Flexibilité

La flexibilité mesure la capacité d'un gouvernement d'augmenter ses ressources financières en augmentant ses recettes ou sa dette nette pour faire face à des engagements croissants.

Le Conseil sur la comptabilité dans le secteur public recommande l'usage de divers indicateurs financiers pour juger de la flexibilité du gouvernement. Les indicateurs suivants aident à apprécier la flexibilité du gouvernement du Manitoba :

- *les frais de la dette publique en pourcentage des recettes totales* : dans quelle mesure les décisions en matière d'emprunts restreignent la capacité d'un gouvernement de faire face à ses engagements financiers et d'assurer la prestation des services prévus;
- *les recettes autonomes en pourcentage du PIB provincial* : dans quelle mesure le gouvernement retire des recettes de l'économie sous forme d'impôts et de droits d'utilisation;
- *la variation annuelle de la valeur comptable nette des immobilisations corporelles* : dans quelle mesure la variation nette des immobilisations corporelles touche le futur potentiel de services;

- *Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets*: the extent to which the estimated useful lives of the Government's tangible capital assets are available to provide its products and services.
- *la valeur comptable nette des immobilisations corporelles en pourcentage de leur coût* : dans quelle mesure la vie utile estimative des immobilisations corporelles d'un gouvernement lui permet de fournir des produits et des services.

Public Debt Charges to Total Revenue

Les frais de la dette publique en pourcentage des recettes totales

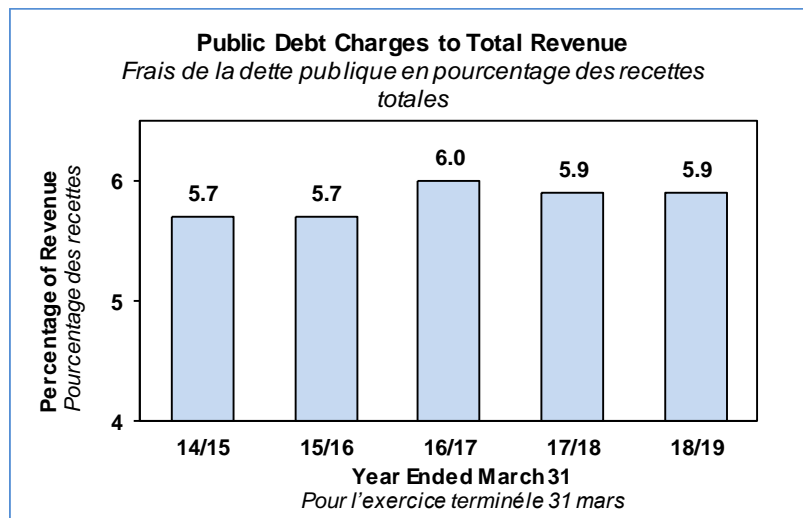
The amount of public debt charges as a percentage of total revenue shows the extent to which a government must use revenue to pay for interest costs rather than to pay for services. The ratio shows how much of every dollar of a government's revenue is needed to pay interest. A lower ratio of interest costs as a percentage of revenue means a government uses a smaller proportion of its revenue to pay for interest costs.

La somme des frais de la dette publique en pourcentage des recettes totales montre dans quelle la mesure un gouvernement doit utiliser des recettes pour payer des frais d'intérêt plutôt que des services. Le ratio montre la proportion par dollar de recettes du gouvernement qui sert à payer les intérêts. Un faible ratio entre les frais d'intérêt et les recettes indique que le gouvernement consacre une faible part de ses recettes aux frais d'intérêt.

Graph 4 shows that in 2014/15, the Government used 5.7 cents of every dollar of revenue to pay interest. In the past two years 2017/18 and 2018/19, 5.9 cents of every dollar of revenue was used.

Dans le diagramme 4, on observe qu'en 2014-2015, le gouvernement utilisait 5,7 cents par dollar de recettes pour assumer les frais d'intérêt. Au cours des deux derniers exercices (2017-2018 et 2018-2019), 5,9 cents par dollar de recettes étaient utilisés à cette fin.

Graph 4/Diagramme 4



Own-Source Revenue to Provincial GDP

Les recettes autonomes en pourcentage du PIB provincial

A government's own-source revenue as a percentage of provincial GDP shows how much revenue a government raises through its provincial economy via taxation and user fees. High ratios or increases in ratios mean a government is placing higher demands on its provincial economy indicating that its demands are outpacing growth in the economy.

Les recettes autonomes en pourcentage du PIB provincial montrent la part de recettes qu'un gouvernement tire de l'économie provinciale sous forme d'impôts et de droits d'utilisation. Des ratios élevés ou à la hausse signifient que le gouvernement augmente les pressions qui s'exercent sur l'économie provinciale, indiquant que ses besoins dépassent la croissance de l'économie.

In this report, own-source revenue does not include the net income from GBEs, given the semi-autonomous nature of their operations. Their revenues are not derived from taxation or user fees, but from the supply of products or services.

Since 2014/15, Government's own-source revenue has been steadily increasing, but as a percentage of the provincial GDP, it has remained relatively stable. This indicates that Government has not significantly changed its normal demands on the provincial economy over this time period. For 2018/19, the main contributors to the increase in own-source revenue from prior year are:

- Income taxes, which increased \$249 million, or 6.2%.
- Sinking funds and other earnings increased by \$41 million, or 16.0%.
- Retail sales tax, which increased \$28 million, or 1.1%.
- Levy for health and education increased by \$20 million, or 5.6%.
- Education property taxes increased by \$20 million, or 2.4%.

Graph 5 shows the relationship between own-source revenue and provincial GDP. GDP increased from \$64,237 million in 2014/15 to \$72,352 million in 2018/19 or 12.6%. The rate of own-source revenues slightly increased in relation to the economy representing 15.8% of GDP in 2014/15 versus 15.9% in 2018/19. Own-source revenues increased by \$341 million or 3.0% from \$11,194 million in 2017/18 to \$11,535 million in 2018/19. Own-source revenues to provincial GDP has remained consistent with last year.

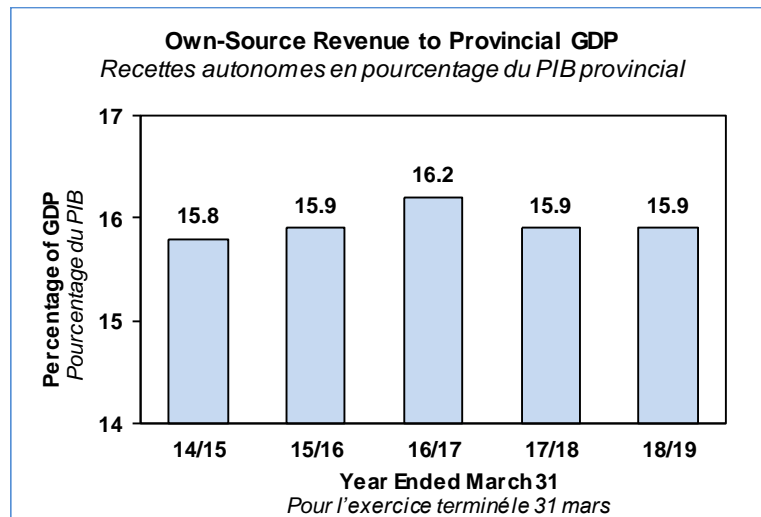
Dans le présent rapport, les recettes autonomes ne comprennent pas les recettes nettes des entreprises publiques, étant donné la nature semi-autonome de leurs activités. Leurs recettes ne proviennent pas d'impôts ou de droits d'utilisation, mais de l'offre de produits ou de services.

Depuis 2014-2015, les recettes autonomes du gouvernement sont en constante progression, mais en pourcentage du PIB provincial, elles sont restées relativement stables. Cela indique que le gouvernement n'a pas changé de manière significative ses exigences sur l'économie de la province au cours de cette période. En 2018-2019, les principaux facteurs de l'augmentation des recettes autonomes par rapport à l'exercice précédent sont les suivants :

- l'impôt sur le revenu des particuliers et des sociétés, dont les recettes se sont accrues de 249 millions de dollars, soit de 6,2 %;
- le fonds d'amortissement et les autres revenus de placements, qui ont augmenté de 41 millions de dollars, soit de 16,0 %
- la taxe sur les ventes au détail, dont les recettes se sont accrues de 28 millions de dollars, soit de 1,1 %;
- l'impôt destiné à l'enseignement et aux services de santé, dont les recettes se sont accrues de 20 millions de dollars, soit de 5,6 %;
- l'impôt foncier pour l'éducation, dont les recettes se sont accrues de 20 millions de dollars, soit de 2,4 %.

Le diagramme 5 montre la relation entre les recettes autonomes et le PIB provincial. Le PIB est passé de 64 237 millions de dollars en 2014-2015 à 72 352 millions de dollars en 2018-2019, ce qui représente une augmentation de 12,6 %. Le pourcentage des recettes autonomes par rapport à l'économie a légèrement augmenté. Il est passé de 15,8 % du PIB en 2014-2015 à 15,9 % en 2018-2019. Les recettes autonomes ont augmenté de 341 millions de dollars, ou de 3,0 %, et sont passées de 11 194 millions de dollars en 2017-2018 à 11 535 millions de dollars en 2018-2019. Les recettes autonomes en pourcentage du PIB provincial sont demeurées stables par rapport à l'exercice précédent.

Graph 5/Diagramme 5



Annual Change to Net Book Value of Tangible Capital Assets

Tangible capital assets (TCAs) such as buildings, equipment, roads and dams are essential for the economy and for delivering government services.

The annual change in the net book value of tangible capital assets measures the extent to which a government is maintaining, or failing to maintain, the assets it needs to deliver its services. An increase means a government has spent more on its assets than has been reduced because of age and use, commonly referred to as amortization or depreciation.

Continual increases in the net book value of tangible capital assets indicates that a government is maintaining or enhancing its tangible capital asset base, which may lead to lower future maintenance or replacement costs because of decreased deterioration. Investing in TCAs creates jobs, promotes economic growth and ensures the continued provision of future services.

The past legacy of unsustainable capital expenditures has created pressure on the ability to maintain these capital assets. In 2018/19, the Government invested \$1,019 million in new tangible capital assets. There were \$39 million in disposals or write downs and the net book value of all tangible capital assets was reduced by \$734 million in annual amortization. The Government's tangible capital assets had a net book value of \$13,857 million at March 31, 2019 (\$13,611 million at March 31, 2018). Schedule 7 to the consolidated financial statements provides additional information on TCA.

La variation annuelle de la valeur comptable nette des immobilisations corporelles

Les immobilisations corporelles, comme les immeubles, l'équipement, les routes et les barrages, sont essentielles à l'économie et à la prestation des services publics.

La variation annuelle de la valeur comptable nette des immobilisations corporelles indique dans quelle mesure un gouvernement entretient ou omet d'entretenir les actifs dont il a besoin pour fournir ses services. Une hausse signifie que le gouvernement a investi plus dans ses actifs que la valeur perdue par ceux-ci en raison de l'âge et de l'usure (appelée communément amortissement ou dépréciation).

La hausse continue de la valeur comptable nette des immobilisations corporelles indique qu'un gouvernement entretient ou améliore ses immobilisations corporelles dans leur ensemble, ce qui peut entraîner une réduction des coûts futurs d'entretien et de remplacement en raison d'une détérioration moindre. Investir dans les immobilisations corporelles crée des emplois, favorise la croissance économique et assure la prestation de services dans l'avenir.

Les dépenses insoutenables en immobilisations héritées du passé pèsent sur la capacité à entretenir ces immobilisations. En 2018-2019, le gouvernement a investi 1 019 millions de dollars dans de nouvelles immobilisations corporelles. Les immobilisations cédées ou dévaluées ont atteint 39 millions de dollars, et la valeur nette comptable de l'ensemble des immobilisations corporelles a été réduite de 734 millions de dollars en amortissement annuel. La valeur comptable nette des immobilisations corporelles du gouvernement s'élevait à 13 857 millions de dollars le 31 mars 2019 (contre 13 611 millions de dollars au 31 mars 2018). L'annexe 7 des états financiers consolidés fournit des renseignements supplémentaires sur les immobilisations corporelles.

Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets

The ratio of the net book value of tangible capital assets to the cost of tangible capital assets illustrates the relationship between the estimated useful life of government assets and their availability to provide future service.

The ratio in Graph 6 below demonstrates that the Government has been reducing its investment in tangible capital assets relative to the rate of amortization for the last three years, reflecting the need to deliver fiscally sustainable outcomes for Manitobans and to reverse the past trend of unsustainable capital spending. Total tangible capital cost increased \$613 million from \$23,371 million in 2017/18 to \$23,984 million in 2018/19. Total additions to capital assets in 2018/19 were \$1,019 million (2017/18 - \$1,123 million).

The total cost of assets under construction, including infrastructure, as at March 31, 2019 was \$1,102 million (2017/18 - \$1,759 million). Assets under construction are not amortized until they are put into service. The \$1,019 million in additions includes \$251 million for buildings and leasehold improvements, \$404 million for other infrastructure, such as road grading and surfacing and a number of bridge and structure projects, \$113 million on vehicles and equipment, and \$251 million on other general assets.

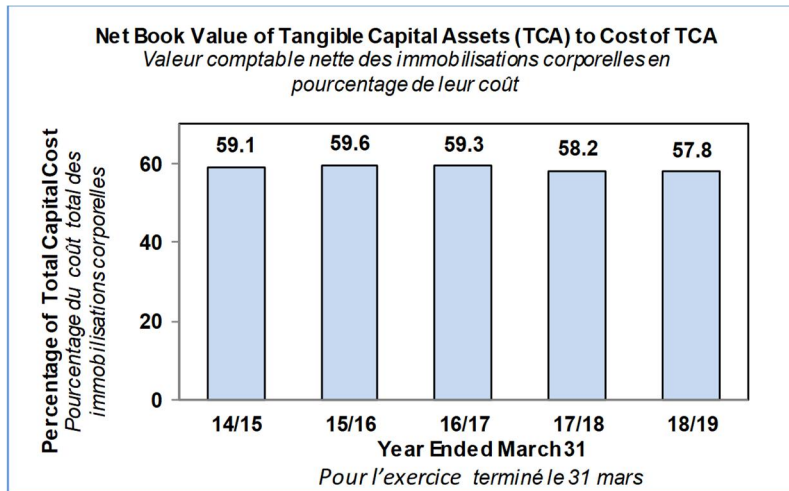
La valeur comptable nette des immobilisations corporelles en pourcentage de leur coût

Le ratio de la valeur comptable nette des immobilisations corporelles à leur coût illustre la relation entre la vie utile estimative des actifs du gouvernement et leur disponibilité pour fournir des services dans l'avenir.

Le ratio figurant au diagramme 6 ci-après montre que le gouvernement a réduit ses investissements dans les immobilisations corporelles en proportion du taux d'amortissement au cours des trois exercices précédents, illustrant la nécessité d'obtenir des résultats financiers viables pour les Manitobains et de renverser la tendance passée aux dépenses insoutenables en immobilisations. Le coût global des immobilisations corporelles a augmenté de 613 millions de dollars, passant de 23 371 millions de dollars en 2017-2018 à 23 984 millions de dollars en 2018-2019. Le total des acquisitions d'immobilisations était de 1 019 millions de dollars en 2018-2019 (contre 1 123 millions de dollars en 2017-2018).

Pour l'exercice terminé le 31 mars 2019, le coût global des immobilisations en construction, y compris l'infrastructure, était de 1 102 millions de dollars (contre 1 759 millions de dollars en 2017-2018). L'amortissement des immobilisations en construction ne débute qu'à partir de leur mise en service. Les 1 019 millions de dollars d'acquisitions comprennent 251 millions pour la construction de bâtiments et des améliorations locatives; 404 millions pour d'autres projets d'infrastructure, comme le nivellement et le surfacage des routes et plusieurs projets de ponts et autres ouvrages; 113 millions pour les véhicules et l'équipement; et 251 millions pour d'autres éléments de l'actif général.

Graph 6/Diagramme 6



Vulnerability

Vulnerability is the degree to which a government is dependent upon, and therefore, vulnerable to fluctuations in sources of revenue outside of its direct control or influence. A high degree of dependency may indicate a government is reliant on outside sources to deliver programs and services at the current level and quality. Changes in outside sources of revenue due to capital projects and other one-time or non-operational programs do not indicate a material increase in a government's revenue vulnerability.

Recommended indicators for providing insight into the Government's vulnerability include:

- *Federal Transfers to Own-Source Revenue;*
- *Federal Transfers to Total Revenue; and*
- *Foreign Currency Debt to Net Debt.*

Revenue from Federal Government Transfers

Transfers from the Government of Canada are a significant source of revenue for Manitoba, accounting for 26.6% of total revenues in 2018/19, up slightly from 26.0% in 2017/18. This indicates the Province's fiscal position is slightly more vulnerable, at least in the short term, to material reductions in federal transfers.

Major federal transfers include the Equalization Program, the Canada Health Transfer and the Canada Social Transfer.

The Equalization Program is the Government of Canada's transfer program for addressing disparities among provinces. It was entrenched in Canada's Constitution in 1982. Equalization payments are intended to make it possible for receiving provinces to provide their residents with public services that are reasonably comparable to those in other provinces, at reasonably comparable levels of taxation.

Manitoba received \$2,037 million in Equalization payments in 2018/19. Equalization accounted for about 12.0% of total 2018/19 provincial revenues.

Vulnérabilité

La vulnérabilité correspond au degré de dépendance du gouvernement, et donc de vulnérabilité aux fluctuations, par rapport aux sources de recettes qui ne dépendent pas directement de lui ni de son influence. Un degré de dépendance élevé peut indiquer qu'un gouvernement compte sur des sources externes pour offrir ses programmes et services au niveau et au degré de qualité actuels. Des fluctuations des sources extérieures de recettes liées aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'indiquent pas une augmentation sensible de la vulnérabilité d'un gouvernement du point de vue des sources de recettes.

Les indicateurs recommandés pour apprécier la vulnérabilité du gouvernement comprennent :

- *les transferts fédéraux en pourcentage des recettes autonomes;*
- *les transferts fédéraux en pourcentage des recettes totales;*
- *la dette en devises en pourcentage de la dette nette.*

Les recettes provenant des transferts du gouvernement fédéral

Les transferts du gouvernement du Canada constituent une source de revenus importante pour le Manitoba, représentant 26,6 % du total des recettes en 2018-2019 (une légère hausse par rapport aux 26,0 % de 2017-2018). Cela révèle que la situation financière de la Province est légèrement plus vulnérable, au moins à court terme, à des réductions importantes des transferts fédéraux.

Les principaux transferts fédéraux comprennent le Programme de péréquation, le Transfert canadien en matière de santé (TCS) et le Transfert canadien en matière de programmes sociaux (TCPS).

Le Programme de péréquation est le programme de transfert du gouvernement du Canada conçu pour aplanir les disparités entre les provinces. Il a été inscrit dans la Constitution du Canada en 1982. L'objectif des paiements de péréquation est de permettre aux gouvernements provinciaux bénéficiaires de fournir à leurs résidents des services publics sensiblement comparables à ceux offerts dans d'autres provinces à des taux d'imposition sensiblement comparables.

En 2018-2019, le Manitoba a reçu 2 037 millions de dollars en paiements de péréquation. Les paiements de péréquation représentaient environ 12,0 % du total des recettes provinciales en 2018-2019.

The Canada Health Transfer (CHT) and Canada Social Transfer (CST) are federal transfers to provincial and territorial governments in support of health care, post-secondary education, social assistance and social services, including programs for children.

Beginning in 2017/18, growth in the CHT declined from a fixed rate of 6.0% per year, to a three-year moving average of nominal GDP growth, with a guaranteed minimum increase of 3.0% per year. The CST is legislated to grow by a fixed rate of 3.0% per year. Both the CHT and CST are allocated to provinces and territories on an equal per capita basis and include adjustments to prior year payment estimates.

Manitoba received \$1,931 million in combined CHT and CST revenues in 2018/19, or about 11.4% of total provincial revenues.

The current outlook for transfers from the Government of Canada is based on existing federal-provincial-territorial funding arrangements. While the Province has no direct control over the amount it receives each year, it does have some opportunity to influence the framework and direction of fiscal transfers through consultations with the Government of Canada.

Federal Transfers to Own-Source Revenue

Federal transfers as a percentage of own-source revenue measures the extent to which a province raises its own revenue compared to the amount it receives from the Government of Canada. A high percentage may indicate a provincial government relies too heavily on federal transfers to operate. Where federal funds are applied to capital projects, one-time programs or used for other non-operational purposes, reliance may not be substantially increased.

An increase in a province's own-source revenue typically makes it less vulnerable to unanticipated changes in levels of federal transfers. It also enhances its ability to fund provincial programs, invest in infrastructure, and to continue to fully fund programs initiated with federal one-time transfers once federal funding has ceased. The ratio of federal transfers to own-source revenue may vary from year-to-year as a result of increases or decreases in a government's own-source revenue.

Overall federal transfers increased by \$321 million in 2018/19 due to a \$216 million increase in funding from

Le Transfert canadien en matière de santé (TCS) et le Transfert canadien en matière de programmes sociaux (TCPS) sont des transferts fédéraux aux gouvernements provinciaux et territoriaux à l'appui des soins de santé, de l'enseignement postsecondaire, de l'aide sociale et des services sociaux, y compris les programmes pour enfants.

À compter de 2017-2018, la croissance du TCS a baissé en passant d'un taux fixe de 6,0 % par année à une moyenne mobile sur trois ans de la croissance du PIB nominal, avec une augmentation minimale garantie de 3,0 % par année. La loi prévoit que le TCPS augmentera d'un taux fixe de 3,0 % par année. Le TCS et le TCPS sont attribués aux provinces et aux territoires selon un montant égal par habitant et comprennent des rajustements aux estimations des paiements des années antérieures.

En 2018-2019, le Manitoba a reçu 1 931 millions de dollars en paiements combinés du TCS et du TCPS, soit environ 11,4 % du total des recettes provinciales.

Les perspectives actuelles d'évolution des transferts du gouvernement du Canada sont fondées sur les modalités existantes du financement fédéral-provincial-territorial. Bien que la Province n'exerce pas de contrôle direct sur le montant qu'elle reçoit chaque année, elle a tout de même une certaine influence sur les grandes lignes et l'orientation des transferts fiscaux dans le cadre de ses consultations avec le gouvernement du Canada.

Les transferts fédéraux en pourcentage des recettes autonomes

Le ratio des transferts fédéraux aux recettes autonomes établit le rapport entre les fonds versés par le gouvernement du Canada et les recettes perçues directement par une province. Un pourcentage élevé peut indiquer que le gouvernement provincial dépend trop fortement des transferts fédéraux pour mener ses activités. Les fonds fédéraux affectés aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement cette dépendance de façon significative.

Une augmentation des recettes autonomes d'une province la rend habituellement moins vulnérable aux changements imprévus touchant les niveaux de transferts fédéraux. Elle augmente aussi sa capacité de financer les programmes provinciaux, d'investir dans l'infrastructure et de continuer à financer pleinement les programmes lancés grâce à des transferts fédéraux non récurrents lorsque le financement fédéral prend fin. Le ratio des transferts fédéraux aux recettes autonomes peut varier d'un exercice à l'autre à la suite de l'augmentation ou de la diminution des recettes autonomes du gouvernement.

En 2018-2019, le total des transferts du gouvernement fédéral a augmenté de 321 millions de dollars en raison d'une

Equalization and a \$65 million increase in Canada Health and Social transfer along with \$40 million increase in shared cost agreements. Shared cost agreements include programs such as bi-lateral agreement funding for health care and housing initiatives, infrastructure renewal, disaster financial assistance (DFA) and shared agricultural programs.

augmentation de 216 millions de dollars des paiements de péréquation, d'une augmentation de 65 millions de dollars du Transfert canadien en matière de santé et de programmes sociaux, et d'une augmentation de 40 millions de dollars du financement versés dans le cadre des ententes relatives aux frais partagés. Les ententes relatives aux frais partagés incluent notamment le financement d'ententes bilatérales pour des initiatives en matière de soins de santé et de logement, de renouvellement de l'infrastructure, d'aide financière aux sinistrés et de programmes agricoles partagés.

Federal Transfers to Total Revenue

Les transferts fédéraux en pourcentage des recettes totales

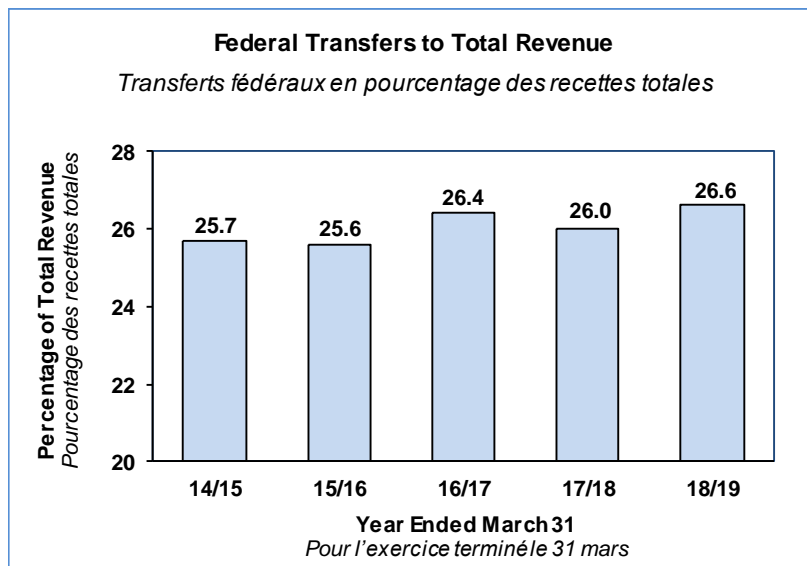
The ratio of federal transfers to total revenue indicates the vulnerability of provinces to changes in transfer support from the Government of Canada.

Le ratio des transferts fédéraux aux recettes totales indique la vulnérabilité des provinces aux variations dans les transferts en provenance du gouvernement du Canada.

Graph 7 shows the ratio of federal transfers to total provincial revenue has increased slightly from 2014/15 to 2018/19. This increase indicates the Province is relying more on federal transfers for revenue to fund programs and services demonstrating Manitoba's gradually increasing vulnerability to changes in federal transfer support.

Le diagramme 7 montre que le ratio des transferts fédéraux au total des recettes provinciales a légèrement augmenté entre 2014-2015 et 2018-2019. Cette hausse révèle que la Province dépend davantage des transferts fédéraux pour financer ses programmes et services. Le Manitoba est donc de plus en plus vulnérable aux modifications relatives aux transferts fédéraux.

Graph 7/Diagramme 7



Foreign Currency Debt Risk

La dette en devises

The Province's foreign currency debt risk for 2018/19 is zero because foreign exchange risk is considered to be fully hedged through the use of derivative instruments such as swaps and forward foreign exchange contracts. Fully hedging the amount of foreign currency debt included in total government debt mitigates the risk of debt servicing costs rising due to changes in foreign currency rates and improves the

Le risque lié à la dette en devises de la Province pour 2018-2019 est nul, car le risque de change est considéré comme entièrement couvert par l'usage d'instruments dérivés, comme les swaps et les contrats de change à terme. Le fait de couvrir complètement le montant de la dette en devises incluse dans la dette totale de la Province atténue le risque d'une hausse des frais de service de la dette en raison des variations du cours des devises et améliore la situation

Province's financial position. The amount of foreign currency debt outstanding at March 31, 2019 is \$13,796 million (2017/18 - \$13,213 million). The portion held by the Province is fully hedged. The portion held by Manitoba Hydro is managed through a long-term natural hedge between U.S. dollar cash flows.

financière de la Province. Le montant de la dette en devises au 31 mars 2019 était de 13 796 millions de dollars, contre 13 213 millions de dollars en 2017-2018. La portion détenue par la Province était complètement couverte. La portion détenue par Manitoba Hydro est gérée par une couverture naturelle à long terme entre les flux de trésorerie en dollars américains.

RISKS AND UNCERTAINTIES

The Government's main exposure to risks and uncertainties arises from variables which it does not directly control. These include:

- Economic factors such as commodity prices, personal income, retail sales, and population growth.
- Favourable changes to tax rates in the United States or other Canadian jurisdictions that can make other jurisdictions more competitive for business. Similarly, adverse federal taxation decisions can have an adverse impact on our economic growth and tax receipts.
- The introduction of trade barriers or disruption of natural trade patterns both within Canada and into the United States and globally.
- The inability to proceed with planned capital investment decisions due to environmental or other obligations.
- Adverse economic or financial events or unusual weather patterns that can influence overall annual results.
- The performance of our Crown corporations, and in particular Manitoba Hydro, which has recently incurred significant debt on its balance sheet to develop large capital projects.
- Outcomes from litigation, arbitration and negotiations with third parties.
- Changes in federal transfers.
- Utilization rates for Government services such as health care, children and family services, or employment assistance.
- Exposure to interest rate fluctuations, foreign exchange rates and adverse changes to our credit rating.

LES RISQUES ET LES INCERTITUDES

La principale exposition du gouvernement aux risques et aux incertitudes résulte de variables qui ne dépendent pas directement de lui. Ces variables sont notamment :

- des facteurs économiques, comme le prix des marchandises, le revenu des particuliers, les ventes au détail et l'accroissement de la population;
- des changements favorables aux taux d'imposition des États-Unis ou d'autres provinces ou territoires canadiens, qui peuvent rendre d'autres administrations plus concurrentielles pour les entreprises. De la même manière, des décisions fiscales défavorables à l'échelle fédérale peuvent avoir un effet néfaste sur notre croissance économique et nos recettes fiscales;
- la mise en place de barrières commerciales ou l'interruption de structures naturelles d'échanges à la fois à l'intérieur du Canada et avec les États-Unis et le reste du monde;
- l'impossibilité de mener à bien les décisions concernant les investissements prévus en immobilisations en raison d'obligations, notamment environnementales;
- des événements néfastes, économiques ou financiers, ou des conditions climatiques inhabituelles qui peuvent influencer sur les résultats annuels d'ensemble;
- la performance des sociétés d'État, en particulier Manitoba Hydro qui a récemment enregistré une dette importante sur son bilan comptable pour des projets d'immobilisations de grande envergure;
- les résultats de procès, d'arbitrages ou de négociations avec des tiers;
- les modifications des transferts fédéraux;
- les taux d'utilisation des services du gouvernement, comme les soins de santé, les services à l'enfant et à la famille et l'aide à l'emploi;
- l'exposition aux fluctuations des taux d'intérêt, aux taux de change et aux modifications défavorables à notre cote de crédit;

- Changes in accounting standards.
- Identification and quantification of the liabilities related to contaminated sites.
- Volatility of results, including amounts consolidated from other reporting entities.
- les modifications des normes comptables;
- l'identification et la quantification du passif lié aux lieux contaminés;
- la volatilité des résultats, y compris les résultats consolidés d'autres entités comptables.

VARIANCE ANALYSIS AND ASSESSMENT OF SIGNIFICANT TRENDS
ANALYSE DES ÉCARTS ET DES PRINCIPALES ÉVOLUTIONS

Summary Net Income (Loss)/Recettes (pertes) nettes sommaires

Revenue and Expense Items <i>Postes des recettes et des dépenses</i>	2018/2019	2018/2019	2017/2018	Variance/Écart	
	Budget <i>Budget de 2018-2019</i>	Actual <i>Chiffres réels de 2018-2019</i>	Actual <i>Chiffres réels de 2017-2018</i>	2018/2019 vs <i>Chiffres réels de 2018-2019 et de 2017-2018</i>	2018/2019 <i>Chiffres réels et budget de 2018-2019</i>
	(\$ millions)/(en millions de dollars)				
REVENUE/RECETTES					
Income Taxes					
<i>Impôt sur le revenu des particuliers et des sociétés</i>	4,041	4,234	3,985	249	193
Other Taxes					
<i>Autres taxes et impôts</i>	4,800	4,685	4,588	97	(115)
Fees and Other Revenue					
<i>Droits et autres recettes</i>	2,333	2,318	2,364	(46)	(15)
Sinking Funds and Other Earnings					
<i>Fonds d'amortissement et autres bénéfiques nets</i>	275	298	257	41	23
Total Own-Source Revenue					
<i>Total des recettes autonomes</i>	11,449	11,535	11,194	341	86
Government Business Enterprises					
<i>Entreprises publiques</i>	842	919	758	161	77
Federal Government Transfers					
<i>Transferts fédéraux</i>	4,496	4,521	4,200	321	25
Total Revenue					
<i>Recettes totales</i>	16,787	16,975	16,152	823	188
EXPENSES/DEPENSES					
Health					
<i>Santé</i>	6,787	6,572	6,469	103	(215)
Education					
<i>Éducation</i>	4,473	4,394	4,395	(1)	(79)
Families					
<i>Familles</i>	2,168	2,164	2,199	(35)	(4)
Community, Economic and Resource Development					
<i>Développement des communautés, de l'économie et des ressources</i>	1,610	1,687	1,681	6	77
Justice and Other Expenditures					
<i>Justice et autres dépenses</i>	1,351	1,321	1,150	171	(30)
Debt Servicing					
<i>Service de la dette</i>	1,034	1,000	952	48	(34)
Total Expenses					
<i>Total des dépenses</i>	17,423	17,138	16,846	292	(285)
In-Year Adjustment/Lapse*					
<i>Ressources non utilisées/rajustements en cours d'exercice*</i>	(115)	-	-	-	115
Summary Net Income (Loss)					
<i>Recettes (pertes) nettes sommaires</i>	(521)	(163)	(694)	531	358

* Note: Adjustments/Lapse was budgeted as an increase in revenue and/or a decrease in expenditures. Actual results are represented within the Revenue and Expenditure items in the revenue categories and expenditure sectors listed above.

* Remarque : les ressources non utilisées et les rajustements étaient inscrits au budget en tant qu'augmentation des recettes ou que réduction des dépenses. Les résultats réels sont indiqués dans les éléments des revenus et des dépenses dans les catégories de recettes et les secteurs de dépenses énumérés ci-dessus.

The Government ended the year with a net loss of \$163 million, which is \$358 million lower than the budgeted net loss of \$521 million. In 2018/19, total revenues were \$16,975 million and total expenses were \$17,138 million.

À la fin de l'exercice, la Province affichait une perte nette de 163 millions de dollars, soit 358 millions de dollars de moins que les pertes nettes de 521 millions de dollars prévues dans le budget. En 2018-2019, les recettes totales ont atteint 16 975 millions de dollars, et les dépenses totales se sont élevées à 17 138 millions de dollars.

The most significant factors causing the variances from budget are:

Les principaux facteurs expliquant les écarts par rapport aux prévisions budgétaires sont les suivants :

- An increase of \$193 million in income taxes is mainly due to an increase in household incomes and federal estimate of national personal and corporate taxable income.
 - A decrease of \$115 million in other taxes mainly due to non implementation of the carbon tax during the year, partially offset by increased revenue from retail sales tax and the levy for health and education.
 - \$23 million higher than estimated investment returns in money market and sinking funds.
 - An increase of \$77 million in net income from GBEs primarily due to higher than budgeted investment income for Manitoba Public Insurance Corporation (MPIC) as a result of one-time gains on sale of equities to transition their investment portfolio to a new asset allocation strategy for 2019/20.
 - A \$25 million increase in federal transfers due primarily to the timing of revenue recognition under federal housing agreements.
 - A variance to budget of \$215 million in Health expenses due primarily to an accounting reset, and under expenditures predominantly in drugs and medical spending categories.
 - A decrease of \$79 million in Education expenses mainly reflects reduced personnel and operating expenditures in public schools and post-secondary institutions as well as under expenditures in departmental salaries and benefits as a result of vacancies.
- une augmentation de 193 millions de dollars des recettes tirées de l'impôt sur le revenu des particuliers et des sociétés, principalement attribuable à un tableau 1 hausse des revenus des ménages et de l'estimation fédérale du revenu national imposable des particuliers et des sociétés;
 - Une diminution de 115 millions de dollars des autres taxes et impôts est principalement attribuable au fait que la taxe sur le carbone n'a pas été mise en œuvre au cours de l'exercice. Elle est contrebalancée en partie par l'augmentation des recettes provenant de la taxe sur les ventes au détail et de l'impôt destiné à l'enseignement et aux services de santé.
 - des rendements des investissements sur les marchés monétaires et dans les fonds d'amortissement supérieurs de 23 millions de dollars à ce qui avait été estimé;
 - une augmentation de 77 millions de dollars du bénéfice net provenant des entreprises publiques, en raison principalement d'un revenu de placement plus élevé que prévu pour la Société d'assurance publique du Manitoba, conséquence de gains ponctuels sur la vente d'actions visant à faire passer son portefeuille de placements à une nouvelle stratégie de répartition de l'actif en 2019-2020;
 - une augmentation de 25 millions de dollars des transferts fédéraux, attribuable principalement au calendrier de la constatation des produits en vertu des accords fédéraux sur le logement;
 - un écart par rapport au budget de 215 millions de dollars dans les dépenses de santé est attribuable principalement à un rajustement comptable et à une sous-utilisation des fonds destinés surtout aux dépenses de médicaments et aux dépenses médicales;
 - une diminution de 79 millions de dollars des dépenses d'éducation qui découle principalement la réduction des dépenses de personnel et de fonctionnement dans les écoles et les établissements d'enseignement postsecondaire publics, ainsi qu'une diminution des dépenses en salaires et avantages sociaux du ministère en raison de postes vacants;

- An increase in Community, Economic and Resource Development (CERD) expenses of \$77 million is mainly due to the transfer of insurance reserves in the Manitoba Agricultural Services Corporation to the Production and Hail Insurance Trust Funds. The transfers are partially offset by savings in Infrastructure under expenditures in maintenance programs as a result of favourable winter conditions.
- A decrease in Justice and Other expenses of \$30 million is mainly due to:
 - an under expenditure in Justice and Finance due to vacancies along with an under expenditure in Finance's amortization expenditures under costs related to tangible capital assets;
 - partially offset by higher uptake of Film and Video Production Tax Credit and Cultural Industries Tax Credit in Sport, Culture and Heritage.
- \$34 million lower debt servicing costs primarily due to lower interest rates.
- une augmentation de 77 millions de dollars des dépenses liées au développement des collectivités, de l'économie et des ressources est principalement attribuable au transfert de réserves d'assurance de la Société des services agricoles du Manitoba aux fonds en fiducie pour l'assurance-production et pour l'assurance contre la grêle. Les transferts sont partiellement contrebalancés par des économies dues à la sous-utilisation des programmes d'entretien de l'infrastructure, en raison des conditions hivernales favorables;
- une diminution de 30 millions de dollars au chapitre Justice et autres dépenses est principalement attribuable à :
 - une sous-utilisation des dépenses du ministère de la Justice et du ministère des Finances en raison de postes vacants, ainsi qu'une sous-utilisation des dépenses d'amortissement du ministère des Finances au titre des coûts liés aux immobilisations corporelles;
 - ceci est partiellement contrebalancé par l'augmentation des demandes de crédit d'impôt pour la production de films et de vidéos et des demandes de crédit d'impôt pour l'impression d'œuvres des industries culturelles, relevant du ministère du Sport, de la Culture et du Patrimoine;
- une diminution de 34 millions de dollars des frais de service de la dette est attribuable principalement à des taux d'intérêt inférieurs aux prévisions.

Revenue

Revenue trend analysis provides users with information about significant changes in revenue over time and between sources, enabling users to evaluate past performance and assess potential implications for the future.

Recettes

L'analyse de l'évolution des recettes renseigne les lecteurs sur les principales variations des recettes selon les exercices et les sources, et leur permet d'évaluer la performance passée et les possibles implications pour l'avenir.

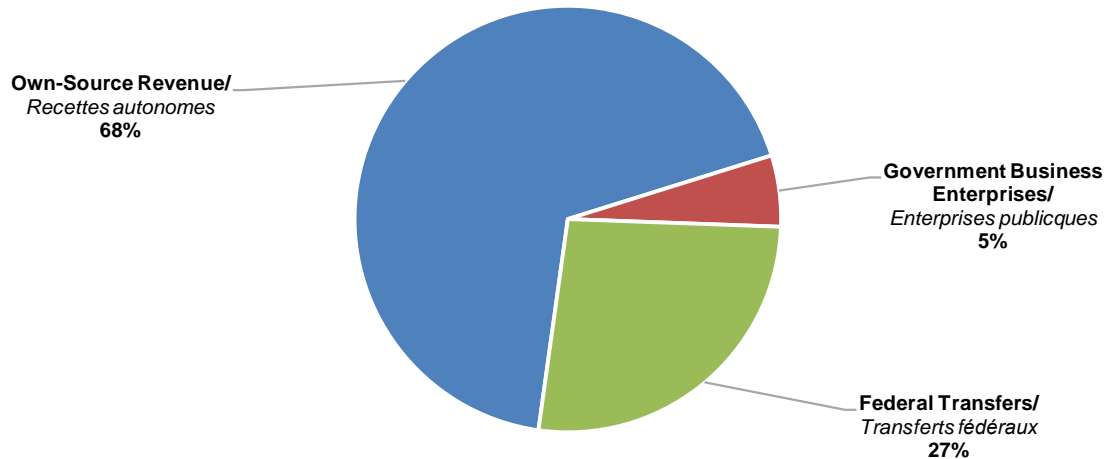
Revenue Trend Analysis by Source
Analyse de l'évolution des recettes par source

Revenue Source <i>Source de recettes</i>	2018/2019 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2018-2019</i>	2017/2018 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2017-2018</i>	2016/2017 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2016-2017</i>	2015/2016 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2015-2016</i>	2014/2015 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2014-2015</i>
	(\$ millions)/(en millions de dollars)				
Income Taxes <i>Impôt sur le revenu des particuliers et des sociétés</i>	4,234	3,985	3,958	3,777	3,679
Retail Sales Tax <i>Taxe sur les ventes au détail</i>	2,472	2,444	2,301	2,269	2,205
Fuel Taxes <i>Taxes sur les carburants</i>	347	344	336	332	334
Levy for Health and Education <i>Impôt destiné à l'enseignement et aux services de santé</i>	376	356	343	333	321
Education Property Taxes <i>Taxes foncières destinées à l'éducation</i>	847	827	793	711	663
Other Taxes <i>Autres taxes et impôts</i>	643	617	623	605	579
Fees and Other Revenue <i>Droits et autres recettes</i>	2,318	2,364	2,329	2,226	2,163
Federal Transfers <i>Transferts fédéraux</i>	4,521	4,200	4,128	3,820	3,809
Net Income from Government Business Enterprises <i>Recettes nettes tirées des entreprises publiques</i>	919	758	589	618	811
Sinking Funds and Other Earnings <i>Fonds d'amortissement et autres bénéfices nets</i>	298	257	227	225	237
Total Revenue <i>Total des recettes</i>	16,975	16,152	15,627	14,916	14,801

The following chart illustrates the Government's main revenue sources for 2018/19.

Le tableau suivant illustre les principales sources de recettes du gouvernement pour 2018-2019.

Sources of Revenue for the Year Ended March 31, 2019
Sources de recettes pour l'exercice terminé le 31 mars 2019



Total revenue in 2018/19 was \$16,975 million, an increase of \$823 million or 5.1% from 2017/18.

Les recettes totales en 2018-2019 ont atteint 16 975 millions de dollars, ce qui représente une hausse de 823 millions de dollars, ou de 5,1 %, par rapport à 2017-2018.

- An increase of \$346 million in taxes primarily due to: a \$249 million increase in the Federal estimate of national Personal and Corporate Taxable Income; an increase of \$97 million in other taxes primarily resulting from increased retail sales tax due to growth in construction and manufacturing sectors; as well as increase in education property tax due to increased rates and assessed property values; and increased levy for health and education as a result of Manitoba's labour force expansion.
- Une augmentation de 346 millions de dollars des recettes tirées des impôts et des taxes est principalement attribuable à une hausse de 249 millions de dollars de l'estimation fédérale du revenu imposable national des particuliers et des sociétés; à une hausse de 97 millions de dollars des recettes tirées des autres taxes et impôts, principalement attribuable à la hausse des recettes de la taxe sur les ventes au détail découlant de la croissance des secteurs de la construction et de la fabrication; à une hausse des taxes foncières destinées à l'éducation découlant de la hausse des taux et de la valeur évaluée des biens; et à la hausse de l'impôt destiné à l'enseignement et aux services de santé découlant de l'accroissement de la population active au Manitoba.
- An increase of \$161 million or 21.2% in net income from GBEs is largely due to higher revenues earned by Manitoba Public Insurance Corporation (MPIC) and Manitoba Hydro as a result of PUB-approved rate increases in 2018/19.
- Une augmentation de 161 millions de dollars, ou de 21,2 %, des recettes nettes des entreprises publiques est en grande partie attribuable à la hausse des recettes de la Société d'assurance publique du Manitoba et de Manitoba Hydro par suite des hausses tarifaires approuvées par la Régie des services publics en 2018-1019.
- An increase of \$321 million or 7.6% in federal transfers reflects annual budgeted increases for Equalization and Canada Health and Social Transfers.
- Une augmentation de 321 millions de dollars, ou de 7,6 %, des transferts fédéraux correspond aux augmentations annuelles prévues au budget pour

la péréquation et le Transfert canadien en matière de santé et de programmes sociaux.

- A \$41 million or 16% increase in sinking funds and other earnings reflects higher guarantee fees as a result of increased Manitoba Hydro borrowings with the Province as well as higher earnings on money market investments.
 - A decrease of \$46 million or 2.0% in fees and other revenue, due to a decrease in water power rentals from Manitoba Hydro as a result of low water levels, and a reduction in the recognition of revenue from prior periods, partially offset by an increase in tuition fees.
- Une augmentation de 41 millions de dollars ou de 16 % des Fonds d'amortissement et autres bénéfiques nets traduit la hausse des commissions de garantie découlant de l'augmentation des emprunts de Manitoba Hydro auprès de la Province ainsi que la hausse des revenus des placements sur le marché monétaire.
 - Une diminution de 46 millions de dollars, ou de 2,0 %, des droits et autres recettes résulte d'une diminution des loyers de l'énergie hydraulique perçus par Manitoba Hydro, consécutive aux faibles niveaux d'eau, et d'une diminution de la comptabilisation des produits des périodes précédentes, partiellement contrebalancées par une augmentation des frais de scolarité.

Expenses

Analysis of expenses helps users understand the impact of the Government's spending on the economy, the Government's overall allocation and use of resources, and the cost of Government programs.

Expense by Function

Expense by function provides a summary of the major areas of Government spending, and changes in spending over time.

Dépenses

L'analyse des dépenses aide les lecteurs à comprendre l'incidence des dépenses du gouvernement sur l'économie, la répartition de l'ensemble de ses recettes et l'usage des ressources, ainsi que le coût des programmes du gouvernement.

Dépenses par fonction

Les dépenses par fonction présentent le sommaire des principaux secteurs de dépenses du gouvernement et l'évolution des dépenses au fil des ans.

Expense Trend Analysis by Function
Analyse de l'évolution des dépenses par fonction

Expense by Function <i>Dépenses par fonction</i>	2018/2019 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2018-2019</i>	2017/2018 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2017-2018</i>	2016/2017 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2016-2017</i>	2015/2016 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2015-2016</i>	2014/2015 <i>Actual</i> <i>Chiffres</i> <i>réels de</i> <i>2014-2015</i>
	(\$ millions)/(en millions de dollars)				
Health <i>Santé</i>	6,572	6,469	6,513	6,225	5,951
Education <i>Éducation</i>	4,394	4,395	4,247	4,147	4,002
Families <i>Familles</i>	2,164	2,199	2,047	1,959	1,827
Community, Economic and Resource Development <i>Développement des communautés, de l'économie et des ressources</i>	1,687	1,681	1,511	1,519	1,544
Justice and Other Expenditures <i>Justice et autres dépenses</i>	1,321	1,150	1,168	1,143	1,175
Debt Servicing <i>Service de la dette</i>	1,000	952	930	855	841
Total Expenses by Function <i>Dépenses totales par fonction</i>	17,138	16,846	16,416	15,848	15,340

Total expenses were \$17,138 million in 2018/19, an increase of \$292 million or 1.7% from 2017/18. The major changes are due to the following:

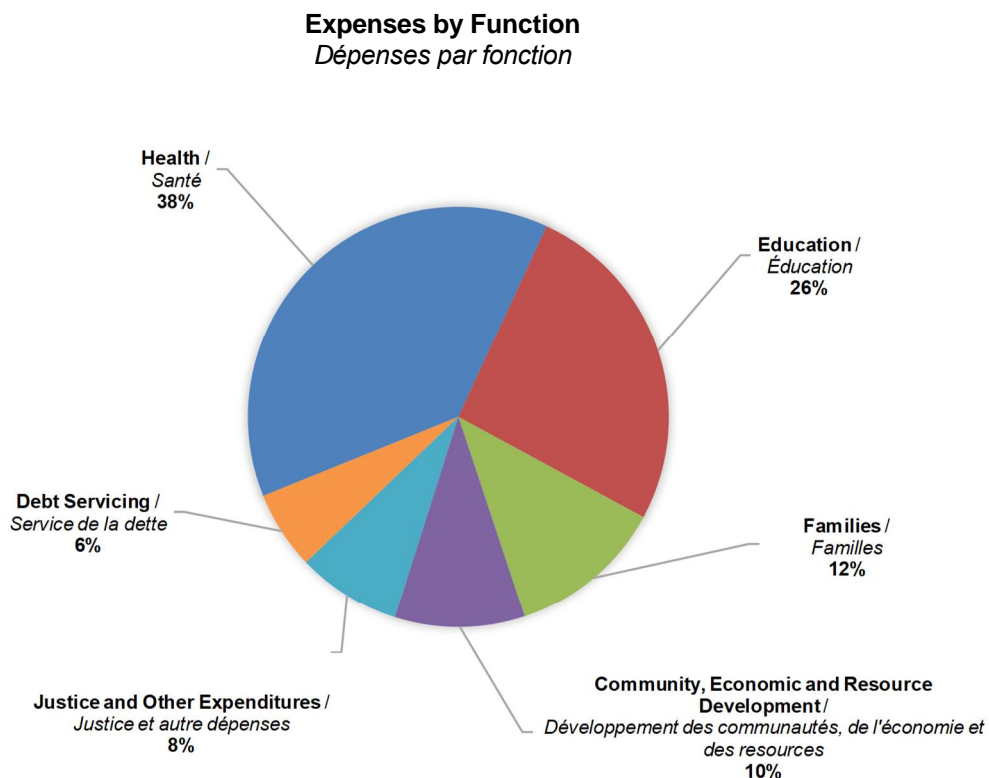
Les dépenses totales en 2018-2019 s'élevaient à 17 138 millions de dollars, soit une augmentation de 292 millions de dollars, ou de 1,7 %, par rapport à 2017-2018. Les principales évolutions sont attribuables aux éléments suivants :

- 1.6% or \$103 million increase in Health expenses primarily due to annual price and volume increases.
- 1.6% or \$35 million decrease in Families expenses are primarily due to a one-time provision adjustment in the prior year for costs associated with grant funding to family services agencies, reduced expenditures related to the expiry of a federal housing infrastructure agreement at the end of the prior year, and lower land development costs in Waverley West.
- 0.4% or \$6 million increase in Community, Economic and Resource Development is mainly due to:
 - an under expenditure of \$57 million in Infrastructure largely due to favourable winter conditions in 2018/19 along with a one-time inflationary increase for contaminated sites;
 - an under expenditure of \$49 million in Municipal Relations primarily due to
- une augmentation de 1,6 %, ou de 103 millions de dollars, des dépenses de santé, principalement en raison des hausses annuelles des prix et des volumes;
- une diminution de 1,6 %, ou de 35 millions de dollars, des dépenses du secteur Familles, principalement attribuable à un ajustement non récurrent de la provision au cours de l'exercice précédent au titre des coûts associés au financement des subventions aux organismes de services à la famille, à la réduction des dépenses liées à l'expiration d'une entente fédérale sur l'infrastructure du logement à la fin de l'exercice précédent, et à la baisse des coûts d'aménagement du terrain dans Waverley West;
- L'augmentation de 0,4 %, ou de 6 millions de dollars, au titre du développement des collectivités, de l'économie et des ressources est principalement attribuable à :
 - une diminution de 57 millions de dollars des dépenses du ministère de l'Infrastructure, en raison principalement des conditions hivernales favorables en 2018-2019, et d'une augmentation non récurrente du taux d'inflation pour les sites contaminés;
 - une diminution de 49 millions de dollars des dépenses du ministère des Relations avec

- | | |
|--|---|
| <p>transfer of urban policing grant to Justice;</p> <ul style="list-style-type: none"> • partially offset by an increase in Sustainable Development expenses related to \$52 million endowment fund for GROW and \$10 million for Lake Winnipeg Individual Quota Entitlement Program; and • an increase of \$24 million in Agriculture's expenditures related to the Manitoba Agricultural Services Corporation. <ul style="list-style-type: none"> • 14.9 % or \$171 million increase in Justice and Other expenses mainly due to \$102 million one time payment to Conservation Trust Fund, a \$34 million increase related to the Made in Manitoba Climate and Green Fund, a \$22 million increase in Film and Video Production Tax Credit, and \$15 million for Heritage Resources Fund in 2018/19. | <p>les municipalités, principalement en raison du transfert au ministère de la Justice de la subvention pour les services de police en milieu urbain;</p> <ul style="list-style-type: none"> • ceci est partiellement contrebalancé par une augmentation des dépenses du ministère du Développement durable liées au fonds de dotation de 52 millions de dollars pour le Programme d'intendance agricole des bassins hydrographiques et au Programme de contingents individuels pour le lac Winnipeg de 10 millions de dollars; • et une augmentation de 24 millions de dollars des dépenses du ministère de l'Agriculture liées à la Société des services agricoles du Manitoba. <ul style="list-style-type: none"> • une augmentation de 14,9 %, ou de 171 millions de dollars, des dépenses au chapitre Justice et autres dépenses, principalement en raison d'un paiement unique de 102 millions de dollars au Fonds en fiducie pour la conservation, d'une augmentation de 34 millions de dollars relative au Fonds vert et climatique du Manitoba, d'une augmentation de 22 millions de dollars du crédit d'impôt pour la production de films et de vidéos, et de 15 millions de dollars affectés au Fonds destiné aux richesses du patrimoine en 2018-2019. |
|--|---|

The following chart illustrates the Government's spending by function:

Le diagramme suivant illustre les dépenses du gouvernement par fonction :



The health, education, and families components comprise 76.6% of the total operating expenses.

Les secteurs de la santé, de l'éducation et des familles représentent 76,6 % des dépenses totales de fonctionnement.

Program expenses, which represent total expenses less the cost of servicing debt, increased 1.5% from 2017/18, primarily as a result of increases in the Health and Justice and Other Expenditures sectors.

Les dépenses de programmes, soit les dépenses totales moins les frais de service de la dette, ont augmenté de 1,5 % par rapport à 2017-2018, principalement dans le secteur de la santé et au chapitre Justice et autres dépenses.

In 2018/19, total expenses to GDP amounted to 23.7% (2017/18 - 23.9%) while program expenses to GDP amounted to 22.3% (2017/18 - 22.5%) of GDP.

En 2018-2019, les dépenses totales représentaient 23,7 % du PIB (contre 23,9 % en 2017-2018), alors que les dépenses de programmes représentaient 22,3 % du PIB (contre 22,5 % en 2017-2018).

Total expenses as a percentage of total revenues was 101.0% in 2018/19. An expense ratio of more than 100.0% means that expenses have exceeded revenues, resulting in a deficit.

Les dépenses totales en pourcentage des recettes totales étaient de 101,0 % en 2018-2019. Un ratio supérieur à 100,0 % signifie que les dépenses sont supérieures aux recettes, et qu'on obtient de ce fait un déficit.

Expense by Type

Dépenses par catégorie

Expense trend analysis by type provides a summary of Government spending by type and highlights changes in spending over time.

L'analyse de l'évolution des dépenses par catégorie présente un sommaire des dépenses du gouvernement par catégorie et expose les variations des dépenses au fil des ans.

Expense Trend Analysis by Type
Analyse de l'évolution des dépenses par catégorie

Expense by Type <i>Dépenses par catégorie</i>	2018/2019 Actual <i>Chiffres réels de</i> 2018-2019	2017/2018 Actual <i>Chiffres réels de</i> 2017-2018	2016/2017 Actual <i>Chiffres réels de</i> 2016-2017	2015/2016 Actual <i>Chiffres réels de</i> 2015-2016	2014/2015 Actual <i>Chiffres réels de</i> 2014-2015
	(\$ millions)/(en millions de dollars)				
Personnel Services <i>Services de personnel</i>	8,064	8,057	8,015	7,790	7,481
Grants/Transfer Payments <i>Subventions et paiements de transfert</i>	2,490	2,418	2,333	2,202	2,226
Transportation <i>Transport</i>	168	155	150	152	137
Communications <i>Communications</i>	72	75	77	74	70
Supplies and Services <i>Approvisionnement et services</i>	1,943	1,871	1,941	1,820	1,788
Social Assistance Related <i>Aide sociale</i>	1,855	1,785	1,490	1,433	1,368
Other Operating <i>Autres dépenses de fonctionnement</i>	711	704	706	772	734
Debt Servicing <i>Service de la dette</i>	1,000	952	930	855	841
Minor Capital <i>Dépenses en capital secondaires</i>	101	116	94	115	89
Amortization <i>Amortissement</i>	734	713	680	635	606
Total Expenses by Type <i>Dépenses totales par catégorie</i>	17,138	16,846	16,416	15,848	15,340

Overall spending by type remained consistent from 2017/18. Personnel services, the Province's largest expense, as a percentage of total expenses decreased slightly to 47.1% (2017/18 - 47.8%), supplies and services increased to 11.3% (2017/18 - 11.1%) and grants/transfer payments increased to 14.5% (2017/18 - 14.4%).

Le total des dépenses par catégorie est demeuré stable par rapport à 2017-2018. En pourcentage des recettes totales, les services de personnel, qui constituent le principal poste de dépenses du gouvernement, ont diminué légèrement à 47,1 % (contre 47,8 % en 2017-2018), les fournitures et services ont augmenté à 11,3 % (contre 11,1 % en 2017-2018) et les subventions et paiements de transfert ont augmenté à 14,5 % (contre 14,4 % en 2017-2018).

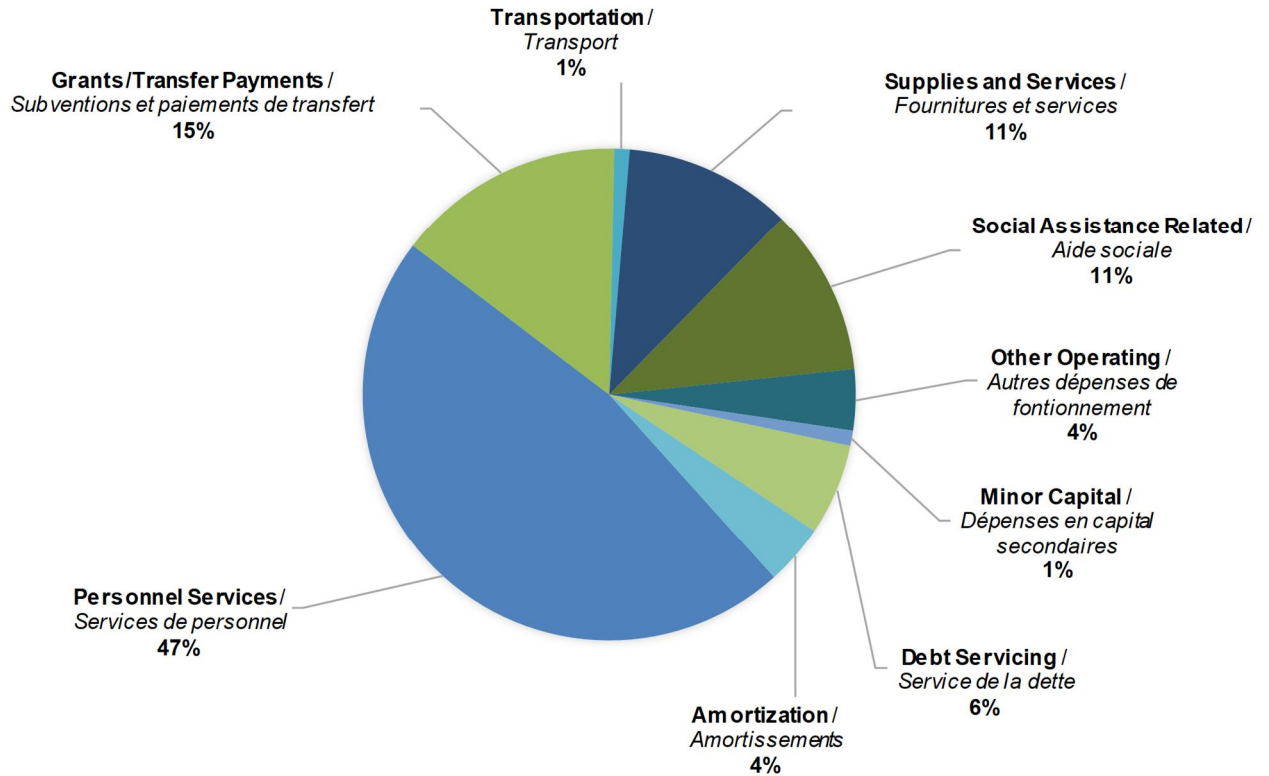
Debt servicing costs were \$1 billion (2017/18 - \$952 million) as at March 31, 2019, an increase of 5.0%.

Les frais de service de la dette ont atteint un milliard de dollars au 31 mars 2019 (contre 952 millions de dollars en 2017-2018), ce qui représente une hausse de 5,0 %.

The following chart illustrates the Government's operating expenses by type:

Le diagramme suivant illustre les dépenses de fonctionnement du gouvernement par catégorie :

Expense by Type
Dépenses par catégorie



Financial Assets

An analysis of financial assets provides users with information regarding the amount of resources government can convert to cash, if required, to discharge existing liabilities or to finance future operations.

Actifs financiers

L'analyse des actifs financiers renseigne les lecteurs sur le montant de ressources que le gouvernement peut convertir en liquidités au besoin pour s'acquitter de ses obligations en cours ou financer des activités futures.

Financial Assets Trend Analysis
Analyse de l'évolution des actifs financiers

Financial Assets <i>Actifs financiers</i>	2018/2019 Actual <i>Chiffres réels de</i> 2018-2019	2017/2018 Actual <i>Chiffres réels de</i> 2017-2018	2016/2017 Actual <i>Chiffres réels de</i> 2016-2017	2015/2016 Actual <i>Chiffres réels de</i> 2015-2016	2014/2015 Actual <i>Chiffres réels de</i> 2014-2015
	(\$ millions)/(en millions de dollars)				
Cash and Cash Equivalents <i>Trésorerie et équivalents de trésorerie</i>	2,690	1,695	2,778	2,415	1,983
Temporary Investments <i>Placements temporaires</i>	615	594	376	194	215
Accounts Receivable and Advances <i>Comptes débiteurs et avances</i>	1,868	1,850	1,771	1,606	1,672
Inventories <i>Stocks</i>	42	50	67	83	79
Portfolio Investments <i>Placements de portefeuille</i>	1,398	1,484	1,461	1,567	1,841
Loan and Advances <i>Prêts et avances</i>	1,529	1,411	1,458	1,447	1,251
Equity in Government Business Enterprises <i>Actif net des entreprises publiques</i>	3,035	2,972	2,839	2,716	2,737
Equity in Government Business Partnerships <i>Actif net des partenariats commerciaux publics</i>	20	19	19	19	19
Total Financial Assets <i>Total des actifs financiers</i>	11,197	10,075	10,769	10,047	9,797

Financial assets increased by \$1,122 million, or 11.1%, from 2017/18, overall. This is primarily due to an increase in cash and cash equivalents of \$995 million and increase in Loans and Advances \$118 million. This was partially offset by a decrease in temporary and portfolio investments of \$65 million, increase in accounts receivable and advances of \$18 million, and increased equity in GBEs of \$63 million. Equity in GBEs represents 27.1% of the 2018/19 financial assets, a decrease of 2.4% from 29.5% in 2017/18.

Liabilities

An analysis of liabilities provides users with information to understand and assess the demands on financial assets. Liabilities consist of debt or obligations owing, to be repaid with cash or other assets.

Les actifs financiers ont augmenté de 1 122 millions de dollars, soit de 11,1 %, depuis 2017-2018, globalement. Cette augmentation est principalement attribuable à une augmentation de 995 millions de dollars de la trésorerie et des équivalents de trésorerie et à une augmentation de 118 millions de dollars des prêts et avances, contrebalancée en partie par une baisse de 65 millions de dollars des placements temporaires et de portefeuille, une augmentation de 18 millions de dollars des comptes débiteurs et des avances, ainsi qu'une augmentation de 63 millions de dollars de l'actif net des entreprises publiques. L'actif net des entreprises publiques représentait 27,1 % des actifs financiers en 2018-2019, soit une diminution de 2,4 % par rapport à 2017-2018 (29,5 %).

Passifs

Une analyse des passifs permet aux lecteurs de comprendre et d'évaluer les pressions qui s'exercent sur les actifs financiers. Les passifs sont les dettes et les obligations à assumer au moyen de la trésorerie ou d'autres actifs.

Liabilities Trend Analysis
Analyse de l'évolution des passifs

Liabilities <i>Passifs</i>	2018/2019 Actual <i>Chiffres réels de</i> <i>2018-2019</i>	2017/2018 Actual <i>Chiffres réels de</i> <i>2017-2018</i>	2016/2017 Actual <i>Chiffres réels de</i> <i>2016-2017</i>	2015/2016 Actual <i>Chiffres réels de</i> <i>2015-2016</i>	2014/2015 Actual <i>Chiffres réels de</i> <i>2014-2015</i>
	(\$ millions)/(en millions de dollars)				
Borrowings <i>Emprunts</i>	29,166	27,350	27,397	25,415	23,241
Accounts Payable and Accrued Liabilities <i>Comptes créditeurs et charges à payer</i>	3,648	3,865	3,675	3,780	3,766
Deferred Revenues <i>Recettes différées</i>	451	462	396	385	399
Pension Liability <i>Obligation découlant des régimes de retraite</i>	2,914	2,726	2,557	2,354	2,245
Other Liabilities <i>Autres passifs</i>	17	17	20	19	19
Total Liabilities <i>Total des passifs</i>	36,196	34,420	34,045	31,953	29,670

The 2018/19 total liabilities increased \$1,776 million or 5.2% from 2017/18. Borrowings have increased by \$1,816 million or 6.6% from 2017/18. The pension liability increased by \$188 million or 6.9% from 2017/18. Accounts payable and accrued liabilities decreased by \$217 million or 5.6% and restricted inflows, referred to as deferred revenue, experienced a decrease of \$11 million or 2.4%.

Pension Liability

The Government uses a diversified, conservative investment approach to mitigate the risks in the market volatility on pension assets. The value of plan assets is determined using a moving average fair value method. Under this method, fair value is the underlying basis, with any excess (or shortfall) of investment returns over (or below) the expected long-term rate being amortized over a five year period. When actual experience varies from actuarial estimates, for both the accrued benefit obligation and plan assets, the difference is amortized over the expected average remaining service life of the related employee group. This method of accounting for the accrued benefit obligation and pension assets is consistent with

Le total des passifs de 2018-2019 s'est accru de 1 776 millions de dollars, ou de 5,2 %, par rapport à 2017-2018. Les emprunts ont augmenté de 1 816 millions de dollars, soit de 6,6 %, par rapport à 2017-2018. L'obligation découlant des régimes de retraite a augmenté de 188 millions de dollars, ou de 6,9 %, par rapport à 2017-2018. Les comptes créditeurs et les charges à payer ont augmenté de 217 millions de dollars, ou de 5,6 %, tandis que les rentrées soumises à restrictions, inscrites comme des recettes différées, ont augmenté de 11 millions de dollars, ou de 2,4 %.

Obligation découlant des régimes de retraite

Le gouvernement a adopté une approche axée sur la prudence et la diversification dans le choix de ses placements, afin de limiter les risques liés à la volatilité des marchés et ainsi protéger l'actif des régimes de retraite. La valeur de l'actif des régimes est déterminée à l'aide d'une méthode de moyenne mobile de la juste valeur. Selon cette méthode, la juste valeur est le fondement, et tout surplus (ou manque à gagner) relatif au rendement du capital investi supérieur (ou inférieur) au taux attendu à long terme est amorti sur une période de cinq ans. Lorsque l'expérience réelle diffère des estimations actuarielles, tant en ce qui concerne les obligations au titre des prestations constituées que les actifs des régimes, la différence est amortie sur la durée résiduelle moyenne d'activité du groupe de salariés

Canadian public sector accounting standards and allows the Government to smooth gains and losses over several years.

liés. Cette méthode de comptabilité pour l'obligation au titre des prestations constituées ainsi que pour les actifs des régimes est conforme aux normes comptables canadiennes pour le secteur public et permet au gouvernement de lisser les gains et les pertes sur plusieurs années.

Net Debt and Accumulated Deficit

Dette nette et déficit accumulé

Net debt is the difference between the Province's liabilities and financial assets. It represents the amount of liabilities to be funded from future revenues and taxation. Operating losses, investments in tangible capital assets or other non-financial assets all increase net debt. Net debt is decreased by operating net income or decreases in the value of net tangible capital assets and other non-financial assets.

La dette nette est la différence entre les passifs de la Province et ses actifs financiers. Elle représente la somme des passifs à financer à même les recettes et les impôts à venir. Les pertes d'exploitation ainsi que les investissements dans les immobilisations corporelles et les autres actifs non financiers augmentent la dette nette. La dette nette diminue en fonction des recettes nettes provenant des activités ou des baisses de la valeur des immobilisations corporelles nettes et d'autres actifs non financiers.

Net debt for 2017/18 is restated as \$24,345 and increased to \$24,999 as at March 31, 2019.

La dette nette de 2017-2018, après redressement, se chiffrait à 24 345 millions de dollars et a augmenté à 24 999 millions de dollars en date du 31 mars 2019.

The main reasons for the 2018/19 increase in net debt were:

Les principales raisons de l'augmentation de la dette nette pour 2018-2019 étaient les suivantes :

- The 2018/19 operating loss of \$163 million.
- Net tangible capital assets acquisitions of \$246 million.
- Other Comprehensive Income loss of \$225 million.
- la perte d'exploitation de 163 millions de dollars en 2018-2019;
- les acquisitions nettes d'immobilisations corporelles de 246 millions de dollars;
- la perte de 225 millions de dollars au titre des autres éléments du résultat étendu.

Net debt as at March 31, 2019 is lower than the budget by \$45 million.

La dette nette au 31 mars 2019 est inférieure de 45 millions de dollars au montant prévu au budget.

The accumulated deficit has increased by \$2,766 million, or 33.6%, from four years ago, mainly as a result of operating losses, other comprehensive income and Manitoba Hydro's adoption of IFRS on April 1, 2015, with a transition date of April 1, 2014. This transition to IFRS resulted in an increase in the Government's accumulated deficit and net debt of \$610 million. In 2018/19, the accumulated deficit increased by \$403 million, or 3.8%, from 2017/18.

Le déficit accumulé a augmenté de 2 766 millions de dollars, soit de 33,6 %, par rapport à il y a quatre ans, principalement en raison des pertes d'exploitation subies, d'autres éléments du résultat étendu, et de l'adoption des Normes internationales d'information financière par Manitoba Hydro le 1^{er} avril 2015 avec une date de transition au 1^{er} avril 2014. Cette transition vers ces normes a entraîné une augmentation du déficit accumulé du gouvernement et une dette nette de 610 millions de dollars. En 2018-2019, le déficit accumulé a augmenté de 403 millions de dollars, ou de 3,8 %, par rapport à l'exercice précédent.

Net Debt and Accumulated Deficit Trend Analysis
Analyses de l'évolution de la dette nette et du déficit accumulé

	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
	Actual	Actual	Actual	Actual	Actual
	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>
	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>
	<i>2018-2019</i>	<i>2017-2018</i>	<i>2016-2017</i>	<i>2015-2016</i>	<i>2014-2015</i>
	(\$ millions)/(en millions de dollars)				
Net Debt and Accumulated Deficit					
<i>Dette nette et déficit accumulé</i>					
Financial Assets					
<i>Actifs financiers</i>	11,197	10,075	10,769	10,047	9,797
Less: Liabilities					
<i>Moins : les passifs</i>	(36,196)	(34,420)	(34,045)	(31,953)	(29,670)
Total Net Debt					
<i>Total de la dette nette</i>	(24,999)	(24,345)	(23,276)	(21,906)	(19,873)
Non-Financial Assets					
<i>Actifs non financiers</i>	13,996	13,745	13,383	12,681	11,636
Total Accumulated Deficit					
<i>Total du déficit accumulé</i>	(11,003)	(10,600)	(9,893)	(9,225)	(8,237)

Non-financial Assets including Tangible Capital Assets

Actifs non financiers, y compris les immobilisations corporelles

An analysis of non-financial assets provides users with information to assess changes in the Government's infrastructure and long-term non-financial assets.

Une analyse des actifs non financiers permet aux lecteurs d'apprécier l'évolution des infrastructures et des actifs non financiers à long terme du gouvernement.

Non-Financial Assets Trend Analysis
Analyse de l'évolution des actifs non financiers

	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
	Actual	Actual	Actual	Actual	Actual
	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>
	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>
	<i>2018-2019</i>	<i>2017-2018</i>	<i>2016-2017</i>	<i>2015-2016</i>	<i>2014-2015</i>
	(\$ millions)/(en millions de dollars)				
Non-financial Assets					
<i>Actifs non financiers</i>					
Tangible capital assets					
<i>Immobilisations corporelles</i>	13,857	13,611	13,248	12,546	11,519
Prepaid expenses					
<i>Charges payées d'avance</i>	68	60	58	59	58
Inventories					
<i>Stocks</i>	71	74	77	76	59
Total non-financial Assets					
<i>Total des actifs non financiers</i>	13,996	13,745	13,383	12,681	11,636

Non-financial assets typically represent resources a government can use in the future to provide services, such as tangible capital assets. The management of non-financial assets has a direct impact on the level and quality of services a government is able to provide to its citizens.

Les actifs non financiers, p. ex. les immobilisations corporelles, sont généralement des ressources que le gouvernement peut utiliser à l'avenir pour fournir des services. La gestion des actifs non financiers a des répercussions directes sur le niveau et la qualité des services qu'un gouvernement est en mesure de fournir à sa population.

At March 31, 2019, non-financial assets were \$251 million higher, or 1.8%, than 2017/18. The majority of Government's non-financial assets are tangible capital assets. The net book value of tangible capital assets increased by \$246 million from 2017/18. Total tangible capital assets additions were \$1,019 million for 2018/19 (2017/18 - \$1,123 million). Additions include investments in health and education facilities and other infrastructure.

En date du 31 mars 2019, les actifs non financiers présentaient une hausse de 251 millions de dollars, soit de 1,8 %, par rapport à 2017-2018. La plus grande partie des actifs non financiers du gouvernement sont des immobilisations corporelles. La valeur comptable nette des immobilisations corporelles a augmenté de 246 millions de dollars par rapport à 2017-2018. Les acquisitions d'immobilisations corporelles totalisaient 1 019 millions de dollars en 2018-2019 (contre 1 123 millions de dollars en 2017-2018). Ces acquisitions comprennent des investissements dans les établissements de santé et d'éducation ainsi que dans d'autres infrastructures.

An analysis of tangible capital assets helps users understand whether the Government has the ability to provide services in future periods.

Une analyse des immobilisations corporelles aide les lecteurs à connaître la capacité du gouvernement de fournir des services au cours de périodes à venir.

Tangible Capital Assets Trend Analysis
Analyse de l'évolution des immobilisations corporelles

	2018/2019	2017/2018	2016/2017	2015/2016	2014/2015
	Actual	Actual	Actual	Actual	Actual
	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>	<i>Chiffres</i>
	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>	<i>réels de</i>
	<i>2018-2019</i>	<i>2017-2018</i>	<i>2016-2017</i>	<i>2015-2016</i>	<i>2014-2015</i>
	<i>(\$ millions)/(en millions de dollars)</i>				
Tangible Capital Assets					
<i>Immobilisations corporelles</i>					
Land					
<i>Bien-fonds</i>	306	297	304	289	264
Building and Leasehold Improvements					
<i>Immeubles et améliorations locatives</i>	5,974	5,494	5,470	5,155	4,855
Vehicles and Equipment					
<i>Véhicules et équipement</i>	811	830	829	864	855
Computer Hardware and Software					
<i>Matériel informatique et logiciels</i>	368	278	332	330	267
Assets Under Construction					
<i>Immobilisations en construction</i>	956	1,426	1,290	1,229	1,105
Infrastructure					
<i>Infrastructure</i>	5,442	5,286	5,023	4,679	4,173
Total Tangible Capital Assets					
<i>Total des immobilisations corporelles</i>	13,857	13,611	13,248	12,546	11,519

Government capitalizes the gross cost of its tangible capital assets. Recoveries from other governments related to capital projects are recognized as revenue in the year the capital asset is purchased or constructed. Crown land transferred to the Province is not reported in the financial statements as tangible capital assets.

The net book value of tangible capital assets totalled \$13,857 million at the end of 2018/19 (2017/18 - \$13,611 million). Buildings and leasehold improvements include provincially-owned schools, health facilities, and public service buildings. Infrastructure assets include roads, water control structures and parks.

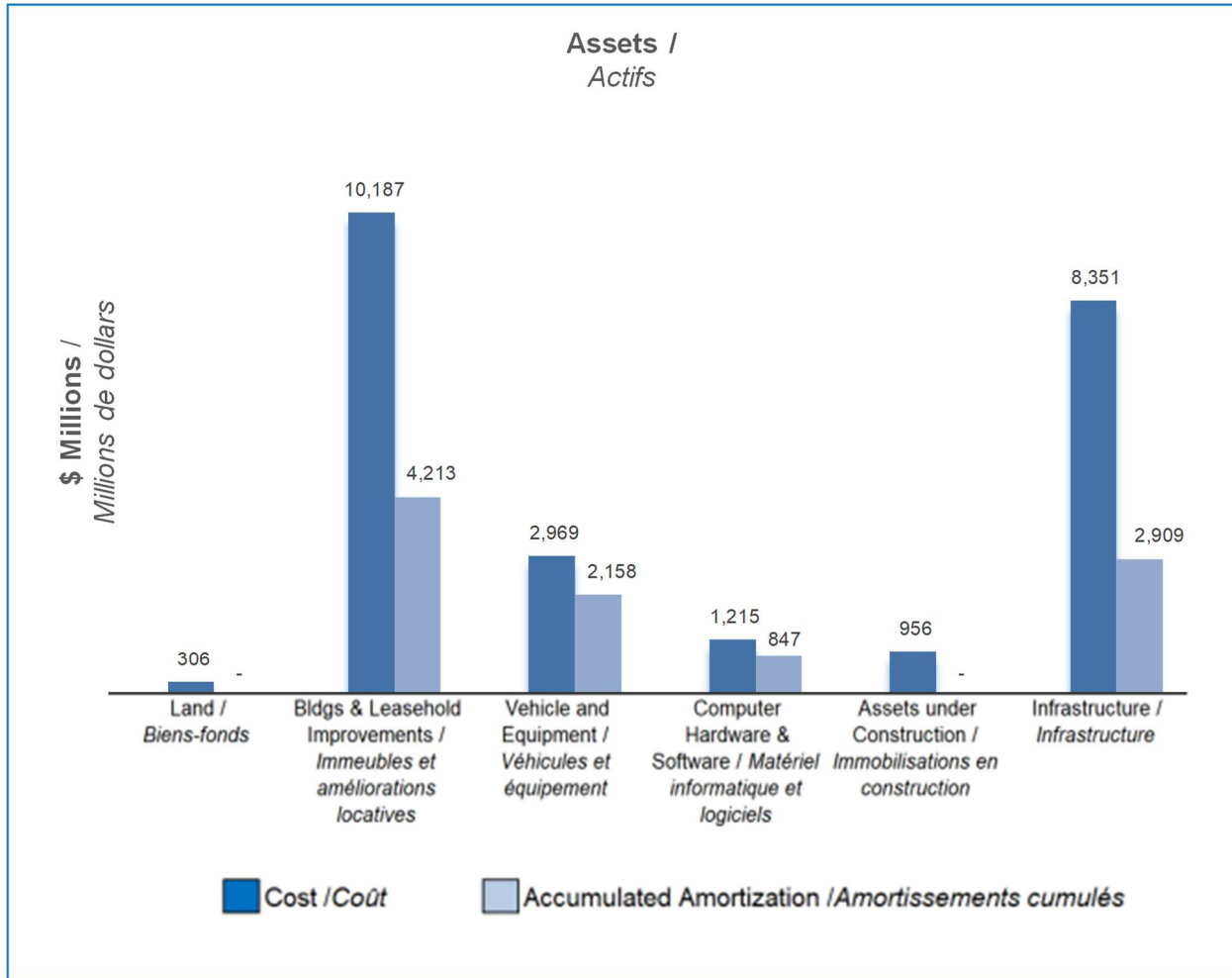
The total cost of tangible capital assets has increased steadily, from \$19,480 million in 2014/15 to \$23,984 million in 2018/19, demonstrating that the Province has more assets available to provide services in future periods. The following chart illustrates tangible capital assets by class and includes the related accumulated amortization as of March 31, 2019.

Le gouvernement comptabilise à l'actif le coût brut de ses immobilisations corporelles. Les sommes liées aux projets d'immobilisation et récupérées d'autres administrations sont inscrites comme des recettes au cours de l'exercice où les immobilisations sont achetées ou construites. Les terres de la Couronne transférées à la Province ne sont pas comptabilisées dans les états financiers comme des immobilisations corporelles.

La valeur comptable nette des immobilisations corporelles était de 13 857 millions de dollars à la fin de 2018-2019 (13 611 millions de dollars en 2017-2018). Les immeubles et améliorations locatives comprennent les écoles, les établissements de santé et les immeubles de services publics qui appartiennent à la Province. La catégorie Infrastructure comprend les routes, les ouvrages de régularisation des eaux et les parcs.

Le coût total des immobilisations corporelles s'accroît également de façon constante. Il est passé de 19 480 millions en 2014-2015 à 23 984 millions en 2018-2019, ce qui montre que la Province a davantage d'actifs disponibles pour la prestation de services au cours des périodes à venir. Le diagramme suivant illustre les immobilisations corporelles par catégorie et les amortissements cumulés connexes au 31 mars 2019.

Tangible Capital Assets as at March 31, 2019
Immobilisations corporelles au 31 mars 2019



**STRATEGIC OUTCOMES
AND
FINANCIAL FORECAST**

**FOR THE YEAR ENDED
MARCH 31, 2019**

**RÉSULTATS STRATÉGIQUES
ET
PRÉVISIONS FINANCIÈRES**

**POUR L'EXERCICE TERMINÉ
LE 31 MARS 2019**

Strategic Outcomes and Financial Forecast 2018/19

Agriculture

- In April 2018, Manitoba Agriculture launched the Canadian Agricultural Partnership Ag Action Manitoba. This five-year agreement between Canada and Manitoba supports activities contributing to a sustainable, profitable, competitive and innovative agriculture and agriprocessing sector.
- Manitoba Agriculture released the Manitoba Protein Advantage Strategy consultation paper on February 1, 2019, providing a framework to accelerate growth in plant and animal protein.
- The Food Development Centre celebrated its 40th anniversary with partners from government and industry, commemorating the successes and exploring new opportunities and innovative technologies to support the agriprocessing sector.
- Manitoba Agriculture continued its efforts to modernize the Agriculture Crown Lands leasing program. Informed by public consultation, we proposed new regulations and policies that streamline the allocation process in a fair and transparent manner.
- Total Agrilnsurance coverage for 2019 is expected to exceed \$2.8 billion on 9.5 million acres in Manitoba, the highest level of coverage on record.
- Manitoba Agriculture continues to work collaboratively with Manitoba Health, Seniors and Active Living to modernize Manitoba's food safety legislation with a focus on streamlining the legislative framework while ensuring competitiveness of the agrifood sector.

Families, Seniors and Communities

- New seniors' housing facilities opened in Brandon, Carman and Steinbach.
- Manitoba Housing and Renewal Corporation partnered with two community organizations to manage four affordable housing properties in

Résultats stratégiques et prévisions financières 2018-2019

Agriculture

- En avril 2018, le ministère de l'Agriculture a lancé le programme Ag Action Manitoba dans le cadre du Partenariat canadien pour l'agriculture. Cette entente de cinq ans entre le Canada et le Manitoba soutient les activités contribuant à un secteur agricole et de la transformation agroalimentaire durable, profitable, concurrentiel et novateur.
- Le 1er février 2019, le Ministère a publié le document de consultation sur la Stratégie durable à l'égard des protéines du Manitoba, qui fournit un cadre pour accélérer la croissance du secteur des protéines végétales et animales.
- Le Centre de développement de produits alimentaires a célébré son 40^e anniversaire avec ses partenaires du gouvernement et de l'industrie, soulignant les réussites et examinant de nouvelles possibilités et technologies novatrices pour soutenir le secteur de la transformation agroalimentaire.
- Le Ministère a poursuivi ses efforts de modernisation du Programme de location de terres domaniales agricoles. Guidés par les résultats de la consultation publique, nous avons proposé de nouveaux règlements et de nouvelles politiques qui simplifient le processus d'attribution de façon juste et transparente.
- La couverture Agri-protection totale de 2019 devrait dépasser 2,8 milliards de dollars pour 9,5 millions d'acres au Manitoba, le niveau de protection le plus élevé jamais observé.
- Le Ministère continue de collaborer avec le ministère de la Santé, des Aînés et de la Vie active pour moderniser la législation sur la salubrité des aliments en mettant l'accent sur la simplification du cadre législatif, tout en veillant au maintien de la concurrence dans le secteur agroalimentaire.

Familles, aînés et collectivités

- De nouveaux logements pour aînés ont ouvert leurs portes à Brandon, à Carman et à Steinbach.
- La Société d'habitation et de rénovation du Manitoba a noué un partenariat avec deux organismes communautaires afin de gérer quatre immeubles de

Winnipeg. The management transfer will save the province an estimated \$540,000 annually.

- The reported number of children in the care of Manitoba Child and Family Services has decreased for the first time in the last 15 years.
- A new refundable Child Care Centre Development Tax Credit was introduced to stimulate the creation of licensed child-care centres in work places, which helps businesses create strong community connections and meet employees' needs.

logements à prix abordables à Winnipeg. Le transfert de gestion fera économiser à la Province environ 540 000 \$ annuellement.

- Le nombre déclaré d'enfants sous la tutelle des Services à l'enfant et à la famille du Manitoba a diminué pour la première fois en 15 ans.
- Un nouveau crédit d'impôt remboursable pour le développement des garderies a été mis en place pour stimuler la création de garderies autorisées dans les milieux de travail pour aider les entreprises à créer des liens communautaires solides et à répondre aux besoins de leurs employés.

Government – What we do and how we do things

- PricewaterhouseCoopers Canada is assisting the Manitoba Government in developing and implementing a procurement modernization strategy to achieve better results and cost savings. A new website was launched to reform the way the Province tenders for goods and services.
- A deal to revitalize and bring new economic opportunities to Pineland Forest Nursery and the surrounding region was concluded, with the successful bidder being a company that plans to grow and develop hemp.
- The Manitoba government is implementing a new block funding approach as part of its plan to reform the child welfare system and provide stronger supports to children and families.
- Governments of Canada and Manitoba will each contribute \$7 million over five years, which equals out to \$1.4 million annually that will allow the province to offer French-language services and programs in several areas, including early childhood care, economic development, tourism, as well as health and social services.
- The province identified at least \$18 million in savings from the building of six schools announced in 2017 that would enable the construction of an additional school, a kindergarten to Grade 8 English school in

Gouvernement – Que faisons-nous et comment le faisons-nous?

- PricewaterhouseCoopers Canada aide le gouvernement du Manitoba à élaborer et à mettre en œuvre une stratégie de modernisation de l'approvisionnement afin de produire de meilleurs résultats et de réaliser des économies. Un nouveau site Web a été lancé pour réformer le processus d'appel d'offres de la Province en matière de biens et de services.
- Un marché ayant pour but de revitaliser la pépinière forestière Pineland et ses alentours et de leur apporter de nouvelles possibilités économiques a été passé : le soumissionnaire retenu est une entreprise qui prévoit faire pousser du chanvre et développer ce secteur.
- Le gouvernement du Manitoba met en œuvre une approche de financement global dans le cadre de son plan visant à réformer le système de protection de l'enfance et à renforcer les soutiens fournis aux enfants et aux familles.
- Les gouvernements du Canada et du Manitoba investiront chacun 7 millions de dollars sur cinq ans, soit 1,4 million annuellement, pour permettre à la Province d'offrir des services et des programmes en français dans plusieurs secteurs, dont la garde des jeunes enfants, le développement économique, le tourisme et les services de santé et services sociaux.
- La Province a cerné des possibilités d'économies totalisant au moins 18 millions de dollars dans la construction de six écoles annoncées en 2017, ce qui permettrait la construction d'une école supplémentaire, soit une école anglaise de maternelle à la 8e année

Waverley West (Pembina Trails School Division).

- The Province entered into an agreement with Exchange Income Corporation to provide services for general transportation under air services, including air travel for judges, sheriffs and accused persons.
- The Province reduced its fleet by 400 vehicles, saving \$2.3 million in operating costs and avoid up to 4,000 tonnes of emissions every year.
- The Province entered into an agreement with Babcock Canada Inc. to provide services for the suppression of wildfires, including the use of water bombers.
- Manitoba Hydro, Manitoba Liquor and Lotteries Corporation and Manitoba Public Insurance reduced overall management positions and management salaries by more than 15 per cent, saving \$3.8 million.
- As part of an ongoing commitment to foster a respectful workplace, the Manitoba government has revised its respectful workplace policy and launched a government-wide awareness campaign on sexual harassment.
- Created a new \$50-million Transformation Capital Fund to support innovative initiatives within government.
- Announced a \$500,000 crime reduction incentive program for police agencies to submit innovative proposals to reduce crime across the province.
- Made amendments to The Public Interest Disclosure (Whistleblower Protection) Act 1 to facilitate the disclosure and investigation of serious wrongdoing within public-sector entities and protect employees who report it.

dans Waverley West (Division scolaire Pembina Trails).

- La Province a conclu une entente avec l'Exchange Income Corporation afin d'offrir des services de transport général relevant des Services de transport aérien, dont le transport aérien de juges, de shérifs et d'accusés.
- La Province a éliminé 400 véhicules gouvernementaux, ce qui représente des économies de 2,3 millions de dollars en coûts d'utilisation et une réduction des émissions de l'ordre de 4 000 tonnes par an.
- La Province a passé un marché avec Babcock Canada Inc. afin d'offrir des services de suppression des incendies, dont l'utilisation de bombardiers d'eau.
- La Régie de l'hydro-électricité, la Société manitobaine des alcools et des loteries et la Société d'assurance publique du Manitoba ont globalement réduit de 15 % le nombre de postes de direction et les salaires connexes, ce qui représente des économies de 3,8 millions de dollars.
- Dans le cadre d'un engagement soutenu à favoriser un milieu de travail respectueux, le gouvernement du Manitoba a révisé sa Politique relative au respect en milieu de travail et a lancé une campagne de sensibilisation sur la prévention du harcèlement sexuel dans l'ensemble du gouvernement.
- La Province a créé un nouveau Fonds de capital pour la transformation de 50 millions de dollars pour soutenir les initiatives novatrices au sein du gouvernement.
- Le gouvernement a annoncé un programme d'encouragement de la réduction du crime doté d'un budget de 500 000 \$ pour les services de police afin que ces derniers puissent soumettre des propositions novatrices pour réduire la criminalité dans l'ensemble de la province.
- Le gouvernement a apporté des modifications à la Loi sur les divulgations faites dans l'intérêt public (protection des divulgateurs d'actes répréhensibles) afin de faciliter les divulgations d'actes répréhensibles et les enquêtes s'y rapportant à l'intérieur des entités du secteur public et de protéger les employés qui les divulguent.

- Released two reports looking at sexual harassment, harassment and respectful workplace policies and procedures in the civil service.

Red Tape

- In 2018/19 the Province began implementing recommendations from the Manitoba Red Tape Reduction Task Force.
- In total, government reduced regulatory requirements (red tape) by 2.6 per cent since 2016. Some examples include:
 - streamlining the process for inspection and approval of grain dryers;
 - streamlining regulations under The Traffic and Transportation Modernization Act, eliminating over 6,500 onerous and outdated regulatory requirements;
 - amendments to The Municipal Act and The City of Winnipeg Charter to enhance transparency for ratepayers in rural Manitoba and reduce red tape for all Manitoba municipalities.

Growing Our Economy

- Launched *Economic Growth Action Plan* establishing a modern approach to supporting economic development in the province, established an Economic Growth Committee of Cabinet and created a new Manitoba Economic Development office to lead economic development initiatives and projects with business, industry and stakeholders.
- The minimum wage, which is inflation-based, increased to \$11.35 per hour starting October 1, 2018 and announced an increase to \$11.65 October 1, 2019, equal to 5.9% increase since 2015.
- Released the provincial retail and fiscal regimes in response to the federal legalization of non-medical cannabis in October.

- La Province a publié deux rapports qui examinent les politiques et les procédures en place dans la fonction publique en matière de harcèlement sexuel, de harcèlement et de respect dans le milieu de travail.

Bureaucratie

- En 2018-2019, la Province a commencé à mettre en œuvre les recommandations du groupe de travail sur la réduction des lourdeurs administratives du Manitoba.
- Au total, le gouvernement a réduit les exigences réglementaires (les lourdeurs administratives) de 2,6 % depuis 2016. En voici quelques exemples :
 - simplification du processus d'inspection et d'approbation des séchoirs à grains;
 - simplification des règlements pris en vertu de la Loi sur la modernisation des lois relatives à la circulation et au transport, qui a permis l'élimination de 6 500 exigences réglementaires onéreuses et désuètes;
 - modifications à la Loi sur les municipalités et à la Charte de la ville de Winnipeg en vue d'améliorer la transparence pour les contribuables dans les régions rurales du Manitoba et de réduire la bureaucratie pour toutes les municipalités du Manitoba.

Croissance de l'économie

- La Province a lancé le Plan d'action pour la croissance économique – qui établit une approche moderne pour soutenir le développement économique –, a formé le Comité du Cabinet chargé de la croissance économique et a créé un nouveau Bureau de développement économique du Manitoba pour diriger les initiatives et les projets de développement économique avec les partenaires commerciaux, l'industrie et les intervenants.
- Le salaire minimum, qui suit le rythme de l'inflation, a augmenté pour s'établir à 11,35 \$ l'heure le 1er octobre 2018, et le gouvernement a annoncé qu'il passerait à 11,65 \$ le 1er octobre 2019, ce qui représente une augmentation de 5,9 % depuis 2015.
- Le gouvernement a publié les régimes fiscal et de détail provinciaux pour répondre à la légalisation du cannabis à des fins non médicales en octobre.

- Welcomed a new Canada Goose manufacturing facility in Winnipeg, creating approximately 700 jobs, with the province contributing \$1.48 million from Manitoba Education and Training's Industry and Labour Force Investment Fund to support the onboarding and technical training of the new sewing machine operators over three years.
- New West Partnership Trade Agreement (NWPTA) partners British Columbia, Alberta, Saskatchewan and Manitoba entered into an agreement that will provide suppliers with a more efficient and timely way to resolve procurement concerns.
- Introduced a new Tax Increment Financing (TIF) Framework that will strengthen the use of TIF as a tool to support economic growth across Manitoba. TIF will be used in partnership with municipalities and regions, which will allow Manitoba to prioritize investment based on a value for money model, while helping to address the need for economic diversification across the province. For example:
 - the expansion project at HyLife Foods Ltd. is supported through tax increment financing estimated at \$9.5 million over 22 years.
 - Harmonized occupational safety and health regulations in several key areas to reduce barriers to interprovincial trade and increase labour mobility, while maintaining protections for workers.
- La Province a accueilli une nouvelle usine de fabrication de Canada Goose à Winnipeg, qui permet la création de près de 700 emplois. Le gouvernement a investi 1,48 million de dollars du fonds d'investissement dans l'industrie et la main-d'œuvre du ministère de l'Éducation et de la Formation pour appuyer l'intégration et la formation technique de nouveaux opérateurs et opératrices de machine à coudre sur trois ans.
- Les provinces partenaires de l'Accord commercial du nouveau partenariat de l'Ouest, soit la Colombie-Britannique, l'Alberta, la Saskatchewan et le Manitoba, ont conclu une entente qui donne aux fournisseurs un moyen plus efficace et rapide de résoudre leurs préoccupations liées aux achats.
- Le gouvernement a mis en œuvre un nouveau Cadre de financement fiscal, qui augmentera le recours au financement fiscal comme outil pour encourager la croissance économique à l'échelle du Manitoba. Ce cadre sera utilisé dans les partenariats avec les municipalités et les régions pour permettre au Manitoba d'établir l'ordre de priorité des investissements en fonction d'un modèle d'optimisation des ressources tout en aidant à répondre au besoin de diversification économique dans la province. Par exemple :
 - le projet d'expansion de HyLife Foods Ltd. est soutenu par un financement fiscal estimé à 9,5 millions de dollars sur 22 ans.
 - Les règlements en matière de santé et de sécurité au travail dans divers secteurs clés seront harmonisés pour réduire les obstacles au commerce interprovincial et accroître la mobilité de la main-d'œuvre, tout en maintenant les protections pour les travailleurs.

The North and First Nations

- Entered a partnership with the Southern First Nations Network of Care to deliver the province's first-ever Social Impact Bond, a doula project aimed to strengthen bonds between indigenous mothers and infants and reduce the number of days infants spend in care.
- Released the Co-chairs' Report on the Manitoba–First Nations Mineral Development Protocol.

Le Nord et les Premières Nations

- La Province a établi un partenariat avec la Régie des services à l'enfant et à la famille des Premières nations du sud du Manitoba afin que celle-ci mette en place la première obligation à impact social, un projet de doules qui vise à renforcer les liens entre les mères autochtones et leurs bébés et à réduire le nombre de jours de prise en charge des bébés.
- Le gouvernement a publié le rapport des coprésidents sur le Protocole de développement minier entre le Manitoba et les Premières Nations.

- Welcomed a partnership between the Red Sucker Lake First Nation and Yamana Gold Inc. after signing an exploration agreement for mineral development activities within the traditional territory of the First Nation.
- Introduced a New Northern Workforce Development Centre at University College of the North Thompson campus.
- Strengthened support for reconciliation between Indigenous and non-Indigenous people by funding Circles for Reconciliation.
- Dauphin River First Nation School opened its doors as part of the Operation Return Home initiative following the damaging floods of 2011.
- Signed a forestry option licence with a group of four First Nations on the east side of Lake Winnipeg to explore Indigenous led forest development.
- La Province a accueilli un partenariat entre la première nation de Red Sucker Lake et Yamana Gold Inc. après la signature d'une entente d'exploration minérale dans le territoire traditionnel de la première nation.
- La Province a mis en place un nouveau centre de perfectionnement de la main-d'œuvre du Nord au campus de Thompson du Collège universitaire du Nord.
- Le gouvernement a consolidé son soutien à la réconciliation entre Autochtones et non-Autochtones en accordant une aide financière aux cercles de réconciliation.
- La Dauphin River First Nation School a ouvert ses portes dans le cadre de l'opération Retour au foyer suivant les dégâts causés par les inondations de 2011.
- Le gouvernement a octroyé une licence d'exploitation forestière à un groupe de quatre premières nations du côté est du lac Winnipeg afin d'étudier l'aménagement forestier dirigé par des Autochtones.

Health Care

- Announced 60 new, full time paramedic positions in rural areas.
- \$5.1 million for:
 - a CT scanner at Health Sciences Centre;
 - a cardiac catheterization medical system and specialized laboratory analysis equipment at St. Boniface General Hospital; and
 - an x-ray machine at Gimli Community Health Centre
- \$16 million in new equipment including:
 - general duty x-ray equipment at the Health Sciences Centre Winnipeg and St. Boniface Hospital in Winnipeg;
 - automated medication packagers at Seven Oaks General and Victoria General hospitals in Winnipeg;
 - a digital radiography suite and a vascular angiography suite at Health Sciences Centre Winnipeg;

Soins de santé

- La Province a annoncé la création de 60 nouveaux postes d'ambulanciers paramédicaux à temps plein dans les régions rurales.
- Un financement de 5,1 millions de dollars pour :
 - un tomodensitomètre au Centre des sciences de la santé;
 - un système médical de cathétérisme cardiaque et de l'équipement spécialisé d'analyse en laboratoire à l'Hôpital général de Saint-Boniface;
 - un appareil de radiographie au centre médical communautaire de Gimli.
- Un financement de 16 millions de dollars dans l'achat de nouvel équipement, dont :
 - des appareils de radiographie de soins généraux au Centre des sciences de la santé et à l'Hôpital général de Saint-Boniface à Winnipeg;
 - des systèmes automatisés de distribution des médicaments au Seven Oaks General Hospital et au Victoria General Hospital à Winnipeg;
 - un système de radiographie numérique et un système d'angiographie vasculaire au Centre des sciences de la santé à Winnipeg;

- echocardiography equipment and an ultrasound machine at Brandon Regional Health Centre;
 - a computed tomography (CT) scanner at Portage District General Hospital; and
 - a CT simulator and a linear accelerator at CancerCare Manitoba.
- de l'équipement d'échocardiographie et un appareil à ultrasons au Centre régional de santé de Brandon;
 - un tomodensitomètre à l'hôpital général du district de Portage;
 - un simulateur de tomographie et un accélérateur linéaire à Action cancer Manitoba.
- A new \$6.2 million magnetic resonance imaging (MRI) scanner and facility opened in Dauphin.
 - Flin Flon General Hospital's new \$27.1 million emergency department, featuring modern design that will improve patient flow opened to the public.
 - State-of-the-art emergency room opened at Grace Hospital.
 - A new regulation now in place under The Health Sector Bargaining Unit Review Act further defines health sector bargaining units and employer organizations to improve patient care, and reduce administrative costs and inefficiencies.
 - Added 233 drugs to the provincial drug formulary to ensure patients have access to these medications through the Manitoba Pharmacare Program, including enhanced access to drugs used to treat diabetes.
 - Announced a walk-in connected care clinic opening at Concordia Hospital to open summer 2019.
 - Data released by the Canadian Institute for Health Information (CIHI) shows Manitoba's health system continues to deliver comparatively shorter wait times in a number of priority procedures, including MRIs, CT scans and hip fracture repairs.
 - Opened five Rapid Access to Addictions Medicine (RAAM) clinics across the province, providing an option for residents seeking help from addictions. The Manitoba government has provided \$1.237 million for the creation of the clinics.
- Une nouvelle installation et un nouvel appareil d'imagerie par résonance magnétique d'une valeur de 6,2 millions de dollars ont été mis en fonction à Dauphin.
 - Le nouveau service d'urgence de 27,1 millions de dollars du Flin Flon General Hospital a ouvert ses portes. Sa conception moderne améliorera le flux de patients.
 - Une salle d'urgence à la fine pointe a ouvert ses portes à l'hôpital Grace.
 - Un nouveau règlement en vigueur pris en vertu de la Loi sur la restructuration des unités de négociation dans le secteur de la santé précise les unités de négociation dans le secteur de la santé et les organisations des employeurs afin d'améliorer les soins de santé aux patients et de réduire les frais et les lourdeurs de nature administrative.
 - Le gouvernement a ajouté 233 médicaments à la liste des médicaments provinciale pour veiller à ce que les patients y aient accès à partir du Régime d'assurance-médicaments du Manitoba, y compris l'accès aux médicaments pour traiter le diabète.
 - La Province a annoncé l'ouverture à l'été 2019 d'une clinique de soins de continuité sans rendez-vous au Concordia Hospital.
 - Les données publiées par l'Institut canadien d'information sur la santé montrent que le système de santé du Manitoba continue de présenter des temps d'attente relativement faibles pour plusieurs procédures prioritaires, dont l'imagerie par résonance magnétique, la tomographie par ordinateur et le traitement de fractures de la hanche.
 - Ouverture de cinq cliniques d'accès rapide aux traitements des dépendances dans la province pour donner des options aux résidents qui ont besoin d'aide pour lutter contre la dépendance. Le gouvernement du Manitoba a investi 1,237 million de dollars pour la création de ces cliniques.

- Released Health System Transformation Blueprint to simplify the health system to improve access and the quality of health care.

- Publication du plan directeur pour la transformation du système de santé, qui vise à simplifier le système de santé afin d'améliorer l'accès à des soins de santé de qualité.

Protecting Families and Communities

- Introducing legislation that would help make the province's courts system more transparent, fair and accessible for Manitobans through the Court Modernization Act.
- Introduced groundbreaking, first-in-Canada legislation that would modernize the province's family law system to improve outcomes for families and children.
- Investing over \$310,000 in a new tool called HealthIM that will allow nine police agencies to improve how they respond to people experiencing a mental health crisis, with the goal of de-escalating potentially dangerous situations.
- Distributed nearly \$450,000 through the Proceeds of Crime Fund to Manitoba police agencies to engage communities in combating the illicit drug trade and reduce crime.
- Investing nearly \$200,000 to provide support and assistance to the Bear Clan Patrol's community crime prevention and intervention efforts.
- Imposed stricter penalties for distracted driving.
- Awarded tender for the replacement of the province's public safety communications service to Bell Mobility.

Protection des familles et des collectivités

- Le gouvernement a déposé un projet de loi visant à rendre le système judiciaire de la province plus transparent, équitable et accessible pour les Manitobains en vertu de la Loi modifiant diverses lois en matière de modernisation des tribunaux.
- La Province a présenté un projet de loi avant-gardiste, sans précédent au Canada, visant à moderniser le système de droit de la famille afin d'améliorer la situation des familles et des enfants.
- La Province a investi 310 000 \$ dans un nouvel outil, HealthIM, qui permettra à neuf services de police d'améliorer la façon d'intervenir auprès des personnes en situation de crise de santé mentale, dans le but de désamorcer des situations potentiellement dangereuses.
- Le gouvernement a distribué près de 450 000 \$ provenant du fonds des produits de la criminalité pour permettre aux services de police du Manitoba de faire participer les collectivités à la lutte contre le commerce des drogues illicites et à la réduction de la criminalité.
- La Province a investi près de 200 000 \$ pour fournir du soutien et de l'aide aux efforts communautaires d'intervention et de prévention de la criminalité déployés par Bear Clan Patrol.
- Des sanctions plus strictes ont été imposées pour la distraction au volant.
- Le gouvernement a accordé le contrat pour le remplacement du service des communications de la sécurité publique à Bell Mobilité.

Education and Training

- Investing more than \$54 million in 83 infrastructure renewal projects at schools across the province, with construction is underway or completed on many of the projects, the goal is to complete all projects by the end of 2020. The Manitoba government is spending more than \$129.5 million on planned

Éducation et formation

- Investissement de plus de 54 millions de dollars dans 83 projets de renouvellement d'infrastructure dans les écoles de la province : la construction est en cours ou achevée pour de nombreux projets et l'objectif est de terminer tous les projets d'ici la fin 2020. Le gouvernement du Manitoba consacre plus de 129,5 millions de dollars aux projets d'immobilisation

public school infrastructure capital projects in 2018-19.

- Announced new K-8 school in Waterford Green neighbourhood.
- Manitoba Government, Assiniboine Community College and the Brandon Police Service partnered to develop a Use of Force Simulation Lab.
- Streamlined the application process for Manitoba Student Aid and Manitoba Bursary to help more low-income and Indigenous students access funding.

Infrastructure

- Met commitment to make at least \$1 billion in strategic investments and spend at least \$350 million on roadway infrastructure.
- Members of Lake St. Martin First Nation returned to a rebuilt community with completion of 190 homes. The housing project represents an investment of \$49.5 million, which has been cost-shared equally between Canada and Manitoba.
- Announced that the Governments of Canada and Manitoba will cost share up to \$540 million in new flood management infrastructure for the Lake Manitoba and Lake St. Martin outlet channels to provide better flood protection for these areas.
- Invested \$2.25 million in funding for municipal roads through the Municipal Road Improvement Program. In addition to this funding, over \$6 million was provided to municipalities this year from previous commitments under this program.
- Issued a request for proposals to explore enhancements to the public-private delivery model of provincially owned and operated government air services.

prévus pour l'infrastructure des écoles publiques en 2018-2019.

- La Province a annoncé la construction d'une nouvelle école de maternelle à 8e année dans le quartier de Waterford Green.
- Le gouvernement du Manitoba, le Collège communautaire Assiniboine et le service de police de Brandon ont collaboré pour produire un laboratoire de simulation de l'usage de la force.
- Le gouvernement a simplifié le processus de demande d'aide aux étudiants et de bourses du Manitoba pour aider les étudiants autochtones et à faibles revenus à obtenir des fonds.

Infrastructure

- La Province a respecté son engagement de réaliser des investissements stratégiques d'au moins 1 milliard de dollars et d'investir au moins 350 millions de dollars dans l'infrastructure routière.
- Les membres de la première nation de Lake St. Martin ont réintégré leur communauté rebâtie avec l'achèvement de 190 nouveaux logements. Le projet immobilier représente un investissement de 49,5 millions de dollars, assumé à parts égales par le Canada et le Manitoba.
- Le gouvernement du Manitoba a annoncé une entente de partage des frais de 540 millions de dollars avec le gouvernement du Canada pour établir une nouvelle infrastructure de gestion des inondations pour les canaux de déversement du lac Manitoba et du lac Saint-Martin, afin de mieux protéger ces régions contre les inondations.
- La Province a investi 2,25 millions de dollars dans les routes municipales dans le cadre du Programme d'amélioration des routes municipales. En plus de ce financement, plus de 6 millions de dollars ont été versés aux municipalités cette année dans le cadre d'engagements antérieurs pris en vertu du programme.
- Le gouvernement du Manitoba a publié une demande de propositions afin d'étudier les possibilités d'amélioration au modèle public-privé de prestation de services aériens gouvernementaux détenus et exploités par la Province.

- The federal and provincial governments provided \$200,000 each to purchase and install directional highway and community boundary signage for Manitoba First Nations.
- Agreement reached with federal government to repair Churchill rail line.

- Les gouvernements provincial et fédéral ont chacun fourni 200 000 \$ pour l'achat et l'installation de panneaux routiers et de signalisation des limites des communautés des Premières Nations du Manitoba.
- Une entente a été conclue avec le gouvernement fédéral pour réparer la ligne ferroviaire de Churchill.

Supporting Local Communities

- Announced \$3.7 million in grants to fund 225 projects for non-profit and community led organizations.
- Announced funding for eight highway improvement projects in Manitoba. The Government of Canada is contributing \$144.0 million to these projects through the New Building Canada Fund while the Province of Manitoba is providing \$147.4 million.
- Contributed \$1.75 million toward the construction of a new water treatment plant now open in Gimli.
- Committed up to \$3.9 million to the City of Winnipeg for updates to the St. James Civic Centre, including new and improved multi-purpose rooms, an auditorium for fitness programs and special events, weight room, carpentry shop and a drop-in computer room.

Soutien des communautés locales

- Annonce de 3,7 millions de dollars en subventions pour financer 225 projets d'organismes à but non lucratif et communautaire.
- Annonce de financement pour huit projets d'amélioration routière au Manitoba. Le gouvernement du Canada a consacré 144,0 million de dollars à ces projets dans le cadre du Nouveau Fonds Chantiers Canada, alors que la Province du Manitoba a investi 147,4 million de dollars
- La Province a investi 1,75 million de dollars dans la construction d'une nouvelle usine de traitement de l'eau maintenant ouverte à Gimli.
- La Province s'est engagée à verser jusqu'à 3,9 millions de dollars à la Ville de Winnipeg pour rénover le centre municipal de St. James, notamment y ajouter de nouvelles salles polyvalentes améliorées, un auditorium pour les programmes de conditionnement physique et les activités spéciales, une salle de musculation, un atelier de menuiserie et une salle informatique sans rendez-vous.

Sport, Culture and Heritage

- Additional \$5 million (on top of \$10 million previously announced) in provincial funding will be invested in the Inuit Art Centre.
- Appointed a Film and Video Production Tax Credit Working Group and based on their review removed the 'sunset clause'.
- Created Manitoba 150 Celebration Committee.
- Manitoba Heritage Trust Program supported local museums as they work to engage the community and highlight the history of the province.

Sport, culture et patrimoine

- Un financement provincial supplémentaire de 5 millions de dollars (en plus des 10 millions de dollars déjà annoncés) sera investi dans le Centre d'art inuit.
- Un groupe de travail sur le crédit d'impôt pour la production de films et de vidéos a été nommé et, à la conclusion de son examen, la clause de temporisation a été éliminée.
- Création du comité organisateur de Manitoba 150.
- Le Programme de fiducie pour le patrimoine du Manitoba a soutenu les musées locaux alors qu'il interagit avec la communauté et souligne l'histoire de la province.

- Released an action plan that will guide the decision-making process for Manitoba's cultural and creative industries.

Sustainable Development

- Created an implementation office that will coordinate climate and green plan work across government.
- Invested \$5.4 million to support over 700 community organizations, municipalities and provincial parks delivering Green Team projects during the summer of 2018.
- Successfully established the \$102 million Conservation Trust managed by the Winnipeg Foundation and administered by the Manitoba Habitat Heritage Corporation. The Trust provides support with an estimated \$5 million in endowment related income annually, to be used to achieve the goals and objectives of the Climate and Green Plan related to conserving ecosystems, enhancing natural infrastructure, improving water quality, and strengthening drought and flood mitigation.
- Also established The Growing Outcomes in Watersheds (GROW) fund with an initial investment of \$52 million that will be managed by The Winnipeg Foundation (TWF), with project payments funded from annual returns on the investment, which will be tracked and evaluated by Manitoba Habitat Heritage Corporation (MHHC). The fund will support climate change adaptation activities in support of the Climate and Green Plan including small water retention projects, natural habitat restoration and enhancement including wetlands, riparian area management, soil health improvements, and shelterbelt and eco-buffer establishment.

Cannabis Revenues and Costs

Non-medical cannabis became legal for sale in Canada on October 17, 2018. The market continues to evolve following a slow start that saw persistent supply shortages from federally licenced cannabis producers.

In Manitoba, the non-medical cannabis retail model includes wholesale distribution of cannabis products by Manitoba Liquor and Lotteries (MBLL)

- Le gouvernement a publié un plan d'action qui orientera le processus décisionnel des industries culturelles et créatives du Manitoba.

Développement durable

- La Province a créé un bureau de mise en œuvre qui coordonnera le Plan vert et climatique à l'échelle du gouvernement.
- La Province a investi 5,4 millions de dollars pour soutenir plus de 700 organismes communautaires, municipalités et parcs provinciaux qui ont mis en œuvre des projets du programme Équipe verte à l'été 2018.
- Réussi à établir le Fonds en fiducie pour la conservation de 102 millions de dollars géré par la Winnipeg Foundation et administré par la Société protectrice du patrimoine écologique du Manitoba. Le Fonds offre un soutien avec des recettes de dotation annuelles estimatives de 5 millions de dollars qui serviront à réaliser les buts et les objectifs du Plan vert et climatique liés à la conservation des écosystèmes, à l'amélioration de l'infrastructure naturelle et de la qualité de l'eau, ainsi qu'au renforcement des mesures d'atténuation des sécheresses et des inondations.
- Également établi le fonds du Programme d'intendance agricole des bassins hydrographiques avec un investissement initial de 52 millions de dollars; il sera géré par la Winnipeg Foundation. Les paiements liés aux projets seront tirés des rendements annuels sur l'investissement et la Société protectrice du patrimoine écologique du Manitoba assurera le suivi et l'évaluation. Le fonds soutiendra des activités d'adaptation aux changements climatiques conformes au Plan vert et climatique, y compris de petits projets de retenue des eaux, la remise en état et l'amélioration d'habitats naturels (notamment des terres humides), la gestion de zones riveraines, l'amélioration de la santé des sols ainsi que l'établissement de haies brise-vent et de zones tampons.

Recettes et coûts liés au cannabis

La vente de cannabis à usage non thérapeutique est devenue légale au Canada le 17 octobre 2018. Le marché continue d'évoluer après un lent départ caractérisé par des pénuries persistantes de l'offre des producteurs de cannabis sous licence fédérale.

Au Manitoba, le modèle de vente au détail du cannabis à usage non thérapeutique comprend la distribution en gros de produits de cannabis par la Société manitobaine des

to provincially-licensed cannabis retailers and administration and compliance by the Liquor, Gaming and Cannabis Authority (LGCA). There are currently four provincially-licensed retailers with 26 retail locations, which also operate on-line sales within Manitoba.

alcools et des loteries aux détaillants de cannabis titulaires d'une licence provinciale, ainsi que l'administration et la conformité assurées par la Régie des alcools, des jeux et du cannabis. Présentement, quatre détaillants titulaires d'une licence provinciale gèrent 26 magasins de détail et la vente en ligne au Manitoba.

See the Cannabis related revenue and costs report included in Volume 3 under supplementary reports for more details.

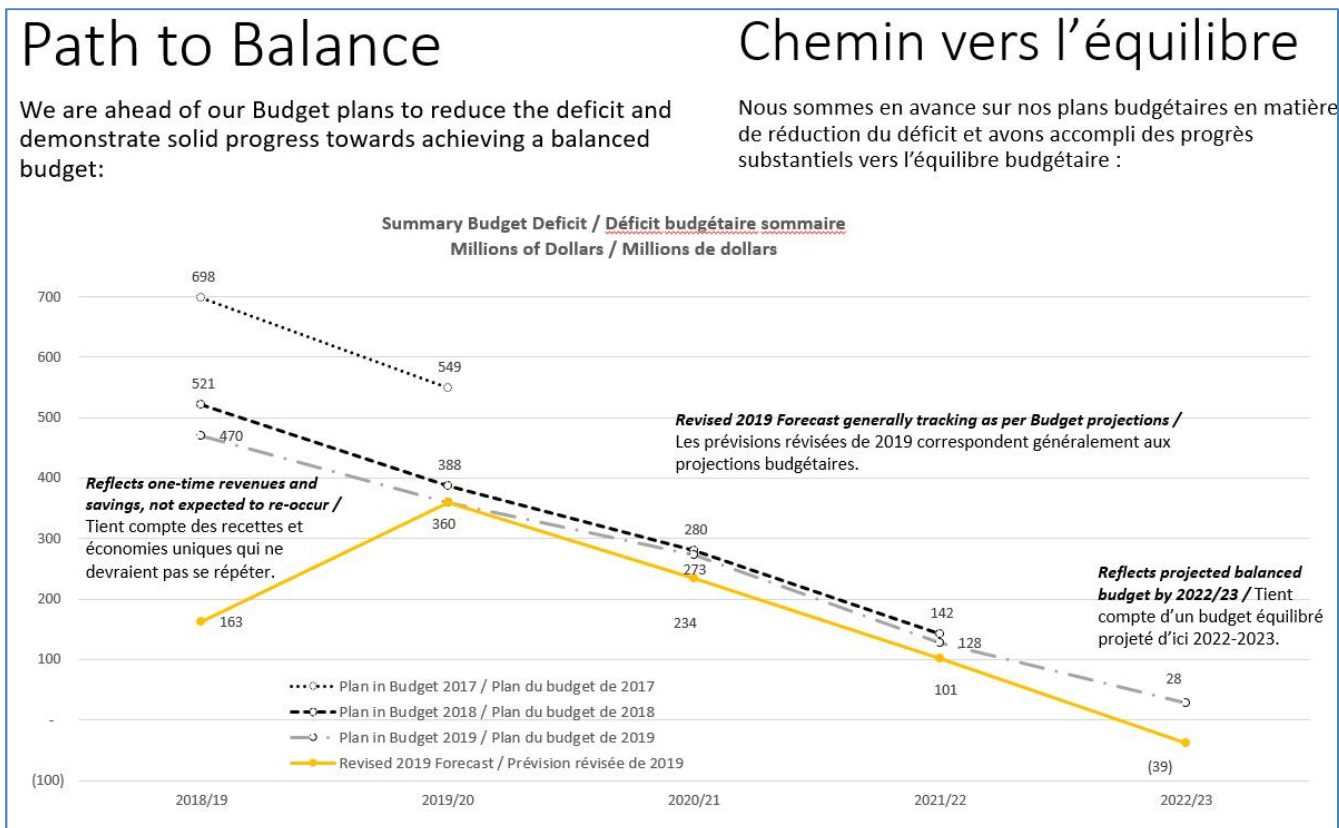
Le volume 3 présente des rapports exigés par la loi et d'autres annexes supplémentaires, y compris le premier rapport sur les recettes et les dépenses liées au cannabis

Revised Path to Balance

Chemin révisé vers l'équilibre

Government has shown continued progress towards balancing the budget. Over the past two budgets, we have revised our deficit reduction projections, showing a new and improved "trajectory" towards balancing the budget. After delivering 2018/19 results that are far ahead of schedule, we were able to revise our deficit reduction projections again and are now projecting to reach balance in 2022/23.

Le gouvernement a continué à accomplir des progrès vers l'équilibre budgétaire. Dans les deux derniers budgets, nous avons révisé nos prévisions de réduction du déficit et tracé un nouveau et meilleur chemin vers l'équilibre budgétaire. Après avoir livré les résultats de 2018-2019 bien avant les dates prévues, nous avons été en mesure de réviser de nouveau nos prévisions de réduction du déficit : nous prévoyons maintenant atteindre l'équilibre en 2022-2023.



This new trajectory for balancing the budget is based on revised economic forecasts, resulting in slower projected revenue growth in future years. The impact of this has been offset by "rebasings"

Cette nouvelle trajectoire vers l'équilibre budgétaire se fonde sur des prévisions économiques révisées entraînant une diminution de la croissance projetée des recettes au cours des prochaines années. Toutefois, cet effet est

our starting point higher for revenue (reflecting stronger income tax projections) and lower for expenditures (to account for one-time events). Future year projections also do not take into account one-time revenues realized in 2018/19, such as the increase in Manitoba Hydro and MPI net income.

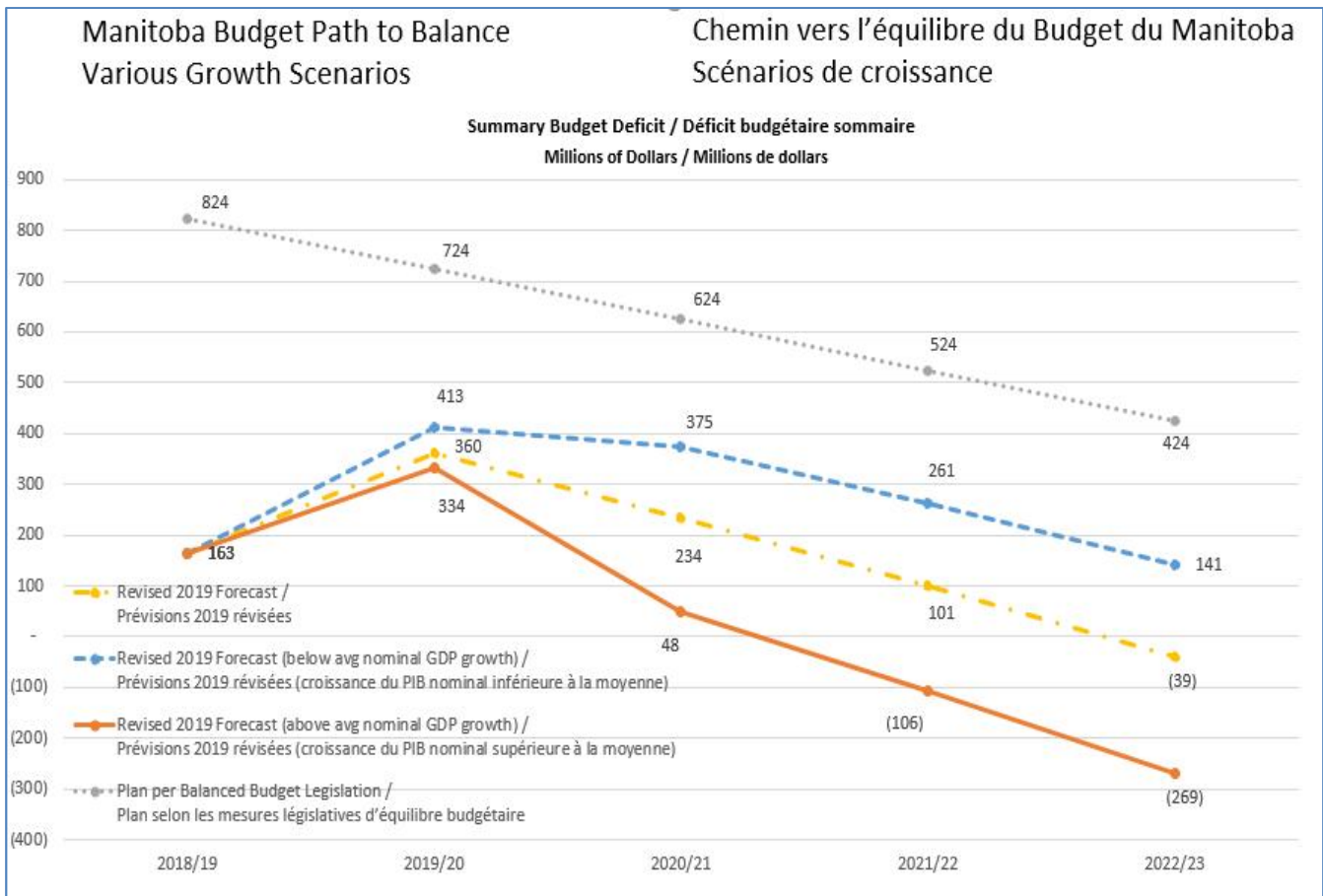
compensé par l'ajustement de notre point de départ vers le haut pour les recettes (compte tenu de projections plus robustes quant à l'impôt sur le revenu) et vers le bas pour les dépenses (pour tenir compte d'événements uniques). De plus, les projections sur les prochaines années ne tiennent pas compte de recettes uniques réalisées en 2018-2019, comme l'augmentation du revenu net de Manitoba Hydro et de la Société d'assurance publique du Manitoba.

Forecast Sensitivity – Changes to Economic Growth

Sensibilité des prévisions – Évolution de la croissance économique

The revised path to balance is sensitive to changes in economic growth projections. The following graph shows the deficit/surplus projections for growth below average nominal GDP forecast and above average nominal GDP forecast.

Le Chemin révisé vers l'équilibre est sensible à l'évolution des prévisions de la croissance économique. Le graphique suivant montre les prévisions de déficit et d'excédent basées sur une croissance du PIB nominal inférieure à la moyenne et sur une croissance du PIB nominal supérieure à la moyenne.

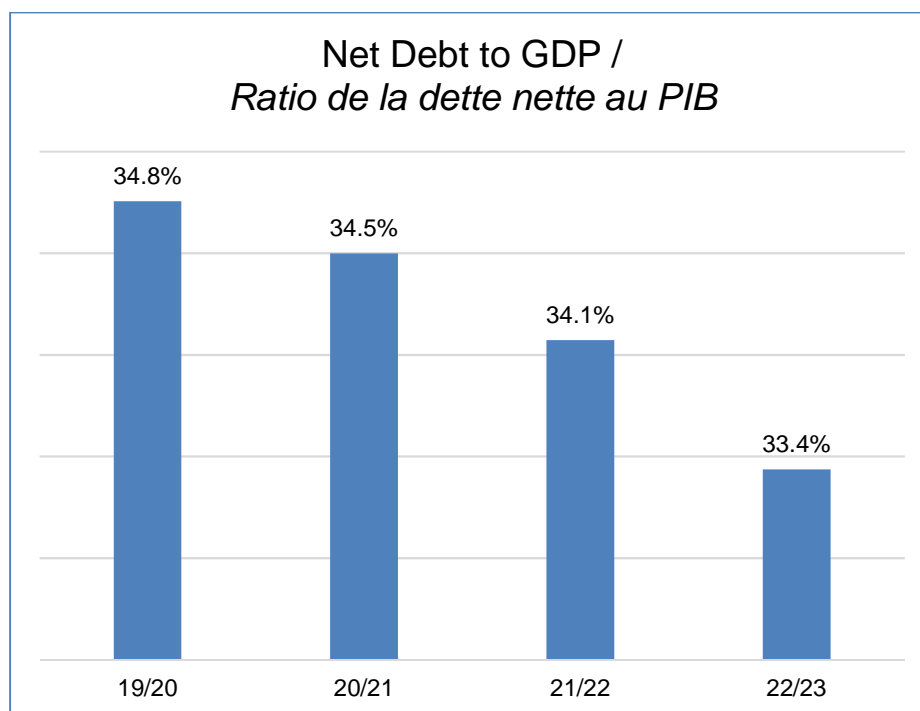


Net Debt to GDP

In Budget 2019, we provided Net Debt to GDP projections for the first time. This is one of many financial reporting recommendations by the Office of the Auditor General which the Province has more recently adopted. Based on our revised deficit projections and updated nominal GDP estimates we are providing an update to our Net Debt to GDP forecasts.

Ratio de la dette nette au PIB

Dans le budget de 2019, nous avons fourni des prévisions relatives au ratio de la dette nette au PIB pour la première fois. Il s'agit d'une des nombreuses recommandations du Bureau du vérificateur général en matière de rapports financiers que la Province a adoptées récemment. En nous fondant sur nos projections révisées concernant le déficit et nos estimations mises à jour relatives au PIB nominal, nous présentons une mise à jour de nos prévisions relatives au ratio de la dette nette au PIB.



GLOSSARY OF KEY TERMS/GLOSSAIRE DE TERMES-CLÉS

Borrowings: Borrowings are securities issued in the name of the Province to capital markets investors. Securities include debentures, treasury bills, promissory notes, medium-term notes and Manitoba Savings Bonds.

Core Government: A component of the GRE. Represents the operations of government, including the revenues directly under government's control, and the programs and services delivered by government departments.

Debt Servicing Cost: Interest and other expenses associated with provincial borrowings.

Financial Assets: Assets of the Province such as cash, investments, loans and accounts receivable that could be readily converted to cash in order to pay the Province's liabilities or finance its future operations.

Generally Accepted Accounting Principles (GAAP): Standard accounting practices and reporting guidelines as prescribed by the Chartered Professional Accountants of Canada.

Government Business Enterprises (GBEs): A government organization delegated with the financial and operating authority to carry on a business. It sells goods or services to individuals and organizations outside the GRE and can maintain its business on those revenues.

Government Business Partnership (GBP): A government partnership delegated with the financial and operating authority to carry on a business. It sells goods or services to individuals and organizations outside the GRE and can maintain its business on those revenues.

Government Component: An integral part of government such as a department or fund. It is not a separate entity with the power to contract in its own name and that can sue and be sued.

Emprunts : valeurs ou titres émis au nom de la Province et vendus aux investisseurs des marchés financiers. On compte parmi ces valeurs ou titres des débetures, des bons du Trésor, des billets à ordre, des billets à moyen terme et des obligations d'épargne du Manitoba.

Opérations fondamentales du gouvernement : composante du périmètre comptable du gouvernement. Il s'agit des activités du gouvernement, y compris les recettes qui sont directement sous le contrôle du gouvernement, ainsi que les programmes et les services fournis par ses ministères.

Frais de service de la dette : intérêts et autres dépenses liés aux emprunts provinciaux.

Actifs financiers : actifs de la Province (exemples : encaisse, investissements, prêts et débiteurs) qui pourraient facilement être convertis en liquidités afin de faire face aux obligations de la Province ou pour financer ses activités futures.

Principes comptables généralement reconnus (PCGR) : pratiques comptables normalisées et lignes directrices pour la présentation de l'information financière, prescrites par Comptables professionnels agréés du Canada.

Entreprise publique : organisme public qui est investi des pouvoirs financiers et administratifs nécessaires pour mener des activités commerciales. Elle vend des biens ou offre des services à des particuliers ou à des organismes non compris dans le périmètre comptable du gouvernement, et elle peut poursuivre ses activités au moyen de ses recettes.

Partenariat commercial public : partenariat gouvernemental qui est investi des pouvoirs financiers et administratifs nécessaires pour mener des activités commerciales. Il vend des biens ou offre des services à des particuliers ou à des organismes non compris dans le périmètre comptable du gouvernement, et il peut poursuivre ses activités au moyen de ses recettes.

Composante d'un gouvernement : partie intégrante d'un gouvernement, telle qu'un ministère ou un fonds, qui ne constitue pas une entité distincte ayant le pouvoir de passer des contrats en son propre nom et d'ester en justice.

Government Organization: Any organization controlled by a government that is a separate entity with the power to contract in its own name and that can sue and be sued. Government organizations include public sector organizations such as regional health authorities, school divisions, universities and colleges.

Government Partnership: A contractual arrangement between the government and other partners cooperate toward clearly defined common goals, make a financial investment in the partnership, have shared control of the decision on an ongoing basis, and share on an equitable basis the risks and benefits of the partnership.

Government Reporting Entity (GRE): Includes Core Government, government organizations, government business entities and government partnerships.

Gross Domestic Product (GDP): Represents the total market value of all final goods and services produced in the Manitoba economy.

Guarantees: The Province, in the normal course of business, may provide a guarantee to honour the repayment of debt or loans of an organization, primarily GBEs. Such a guarantee is provided on the Manitoba Hydro Savings Bonds.

Ministry: A Ministry is a grouping of government components, government organizations and government partnerships within a specific area of public administration that is presided over by a Minister. Government Business Enterprises and Government Business Partnerships are not included within a Ministry.

Net Debt to GDP Ratio: The ratio of government net debt relative to the total market value of all final goods and services produced in the Manitoba economy. Net debt represents the total liabilities of the government less its financial assets. It is widely used by credit rating agencies and other analysts to evaluate the financial situation and trends of jurisdictions in regards to their relative creditworthiness.

Organisme public : organisme contrôlé par un gouvernement, qui constitue une entité distincte ayant le pouvoir de passer des contrats en son propre nom et d'ester en justice. Les organismes publics incluent les offices régionaux de la santé, les divisions scolaires, les universités et les collèges.

Partenariat gouvernemental : accord contractuel en vertu duquel le gouvernement et des partenaires coopèrent vers des buts communs clairement définis, font un investissement financier dans le partenariat, ont le contrôle partagé des décisions de façon continue, et partagent équitablement les risques et les avantages du partenariat.

Périmètre comptable du gouvernement : inclut les opérations fondamentales du gouvernement, les organismes publics, les entreprises publiques et les entités commerciales publiques et les partenariats gouvernementaux.

Produit intérieur brut (PIB) : valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine.

Garanties : la Province, dans le cours normal de ses activités, peut garantir le remboursement des dettes ou des emprunts engagés par des organismes, principalement des entreprises publiques. De telles garanties sont fournies pour les obligations d'épargne Hydro Bonds du Manitoba.

Département ministériel : un département ministériel est un regroupement de composantes gouvernementales, d'organismes gouvernementaux et de partenariats gouvernementaux dans un domaine particulier d'administration publique que préside un ministre. Les entreprises publiques et les partenariats commerciaux publics ne font pas partie des départements ministériels.

Rapport dette nette-produit intérieur brut : dette nette de la Province par rapport à la valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine. La dette nette est le total du passif du gouvernement moins ses actifs financiers. Les agences de notation et autres analystes s'en servent couramment pour évaluer la situation et la conjoncture financières d'un gouvernement et l'évolution de sa solvabilité.

Non-Financial Assets: Includes physical items such as tangible capital assets (e.g. buildings and roads) and consumable goods such as inventories that are not normally converted to cash.

Other Comprehensive Income (OCI): Other comprehensive income is an accounting recognition of unrealized gains and losses in fair market value of financial instruments, such as investments held as available for sale or trading or debt held in a foreign currency. Currently, OCI accounting standards apply only to other reporting entities, except not-for-profit organizations. It is measured as the change in "mark-to-market" valuations, interest rates, or foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

Other Reporting Entities (OREs): Entities in the GRE such as government organizations, government business entities, and government partnerships. OREs include public sector organizations such as regional health authorities, school divisions, universities and colleges that are directly or indirectly controlled by the Government, as prescribed by Public Sector Accounting Board – excludes Core Government.

Pension Liability: Outstanding actuarial-calculated pension liability of the government and participating government organizations. The expense includes amounts funded through the appropriations of Core Government as well as for the actuarially determined increases in the pension liability.

Summary Net Debt: Represents the total liabilities of the GRE less its financial assets. This is the residual amount that will have to be paid or financed by future revenue.

Tangible Capital Assets: Assets with a useful life extending beyond one year which are acquired, constructed or developed and held for use, not for resale.

Actifs non financiers : actifs ayant une existence matérielle, notamment les immobilisations corporelles (par exemple les immeubles et les routes) et les biens consommables tels que les inventaires qui ne sont pas normalement convertis en liquidités.

Autres éléments du résultat étendu : prise en compte des gains ou des pertes non réalisés calculés selon la juste valeur marchande de l'instrument financier, par exemple, un investissement susceptible de vente ou d'échange ou une dette en devise étrangère. À l'heure actuelle, les normes comptables concernant les autres éléments du résultat étendu s'appliquent uniquement aux autres entités comptables, à l'exception des organismes sans but lucratif. Les autres éléments du résultat étendu sont mesurés d'après la variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date l'année antérieure.

Autres entités comptables : entités du périmètre comptable du gouvernement, comme les organismes publics, les entreprises publiques et les partenariats gouvernementaux. Les autres entités comptables incluent les offices régionaux de la santé, les divisions scolaires, les universités et les collèges qui sont directement ou indirectement sous le contrôle du gouvernement, comme le prescrit le Conseil sur la comptabilité dans le secteur public. Les opérations fondamentales du gouvernement en sont exclues.

Obligation découlant des régimes de retraite : valeur actuarielle de l'obligation non réglée découlant des régimes de retraite du gouvernement et des organismes publics. La dépense comprend les fonds provenant des crédits relatifs aux opérations fondamentales du gouvernement et l'augmentation, déterminée à l'aide de calculs actuariels, de l'obligation découlant des régimes de retraite.

Dettes nettes sommaires : total des passifs du périmètre comptable du gouvernement moins ses actifs financiers. Il s'agit du solde des passifs qu'il faudra payer ou financer à l'aide de recettes futures.

Immobilisations corporelles : immobilisations dont la durée de vie utile s'étend au-delà de l'exercice et qui sont acquises, construites ou développées, et qui sont destinées à être utilisées plutôt que vendues.

**SUMMARY FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

March 31, 2019

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Finance

Office of the Provincial Comptroller

STATEMENT OF RESPONSIBILITY

The summary financial statements are prepared under the direction of the Minister of Finance in accordance with the stated accounting policies of the Government reporting entity and include summary statements of financial position, revenue and expense, accumulated deficit, change in net debt, cash flow, notes and schedules integral to the statements. Together, they present fairly, in all material respects, the financial position of the Government as at March 31, 2019, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The Government is responsible for the integrity and objectivity of the summary financial statements. In the preparation of these statements, estimates are sometimes necessary because a precise determination of certain assets, liabilities, revenues and expenses is dependent on future events. The Government believes such estimates have been based on careful judgements and have been properly reflected in the summary financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Provincial Comptroller, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with The Financial Administration Act.

The Auditor General expresses an independent opinion on these financial statements. His report, stating the scope of his audit and opinion, appears on the following page.

These financial statements are tabled in the Legislature. They are referred to the Standing Committee on Public Accounts, which reports to the Legislature on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of the Province of Manitoba.

Original signed by

Aurel Tess, CPA, CGA
Provincial Comptroller

September 23, 2019



Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

Qualified Opinion

I have audited the summary financial statements of the Province of Manitoba (the Province), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statement of revenue and expense, consolidated statement of accumulated deficit, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and notes to the consolidated summary financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of my report, the accompanying summary financial statements present fairly, in all material respects, the financial position of the Province as at March 31, 2019, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Summary Financial Statements* section of my report. I am independent of the Province in accordance with the ethical requirements that are relevant to my audit of the summary financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Exclusion of Workers Compensation Board from the summary financial statements

The Province has not included the financial position and results of operations of the Workers Compensation Board (WCB) in the summary financial statements for the years ended March 31, 2019 and March 31, 2018.

In my opinion, the WCB is controlled by the Province, based on the definition of control in PSAS, and should be recorded in the summary financial statements for the years ended March 31, 2019 and March 31, 2018. In this respect, the summary financial statements are not in accordance with PSAS, which requires the financial position and results of operations of controlled entities to be consolidated in the summary financial statements.

Had the Province made an adjustment for this departure from PSAS, the current year equity in government business enterprises would have increased by \$632 million, and accumulated deficit and net debt would each have decreased by \$632 million, the net income from government business enterprises would have decreased by \$53 million, other comprehensive income would have increased by \$37 million, and the annual deficit would have increased by \$53 million.

Additionally, the prior year equity in government business enterprises would have increased by \$658 million, and accumulated deficit and net debt would each have decreased by \$658 million, the net income from government business enterprises would have increased by \$82 million, other comprehensive income would have decreased by \$25 million, and the annual deficit would have decreased by \$82 million.

Failure to recognize controlled assets

The Province has not included the financial position and results of operations of the Manitoba Agricultural Services Corporation's (MASC) Production Insurance Trust and the Hail Insurance Trust (the Trusts) in the summary financial statements for the years ended March 31, 2019 and March 31, 2018.

In my opinion, the Trusts are assets under the control of the Province, and the financial position and results of operations should be recorded in the summary financial statements for the years ended March 31, 2019 and March 31, 2018. In this respect, the summary financial statements are not in accordance with PSAS, which require that the Province account for all assets under its control.

Had the Province made an adjustment for this departure from PSAS, the current year cash and cash equivalents would have increased by \$481 million, the accounts payable, accrued charges, provisions and unearned revenue would have decreased by \$9 million, and accumulated deficit and net debt would each have decreased by \$490 million, the Agriculture expenses would have decreased by \$222 million, the investment income would have increased by \$3 million, and the annual deficit would have decreased by \$225 million.

Additionally, the prior year accounts payable, accrued charges, provisions and unearned revenue would have decreased by \$265 million, accumulated deficit and net debt would each have decreased by \$265 million, the Agriculture expenses would have decreased by \$265 million, and the annual deficit would have decreased by \$265 million.

Combined impact of departures from PSAS

Had the WCB and MASC Trust departures from PSAS been corrected, the Province would have an annual surplus of \$9 million in the current year, and for the prior year would have an annual deficit of \$347 million.

Combined impact on the annual deficit or surplus		
	2019 (\$ million)	2018 (\$ million)
Annual deficit as presented	(163)	(694)
Operating (loss) surplus of Workers Compensation Board	(53)	82
Net income of MASC trusts	225	265
Annual surplus (deficit) in accordance with Canadian public sector accounting standards	9	(347)

Other Information

The Province is responsible for the other information reporting in the Public Accounts. The other information comprises the Public Accounts Volume 1, 2 and 3, but does not include the summary financial statements and my auditor's report thereon.

My qualified opinion on the summary financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the summary financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the summary financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact in this auditor's report.

As described in the *Basis for Qualified Opinion* section above, the Province has not accounted for WCB and the MASC Trusts in accordance with PSAS. I have concluded that the other information is materially misstated for the same reasons with respect to these amounts and other items in the Public Accounts Volumes 1, 2, and 3 affected by these departures from PSAS.

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

Management is responsible for the preparation and fair presentation of the summary financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of summary 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 Province's ability to continue as a going concern, meaning that the Province will continue in operation, and will be able to realize assets and discharge liabilities and meet its statutory obligations in the normal course of operations for the foreseeable future.

Those charged with governance are responsible for overseeing the Province's financial reporting process. With respect to the Province, those charged with governance refers to the Minister of Finance.

Auditor's Responsibilities for the Audit of the Summary Financial Statements

My objectives are to obtain reasonable assurance about whether the summary financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 these summary financial statements.

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

- Identify and assess the risks of material misstatement of the summary 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 my 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 Province'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 Province's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the summary financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Province to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the summary financial statements, including the disclosures, and whether the summary financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Province to express an opinion on the summary financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

*"Original document
signed by Norm Ricard"*

Winnipeg, Manitoba
September 23, 2019

Norm Ricard, CPA, CA
Auditor General

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 As at March 31, 2019

(\$ millions)

SCHEDULE

		2019	2018 Restated
FINANCIAL ASSETS			
	Cash and cash equivalents.....	2,690	1,695
	Temporary investments (Note 2).....	615	594
1	Amounts receivable.....	1,868	1,850
	Inventories for resale.....	42	50
	Portfolio investments (Note 3).....	1,398	1,484
2	Loans and advances.....	1,529	1,411
3	Equity in government business enterprises (Note 4).....	3,035	2,972
	Equity in government business partnerships (Note 5).....	20	19
	Total Financial Assets	<u>11,197</u>	<u>10,075</u>
LIABILITIES			
4	Borrowings.....	29,166	27,350
5	Accounts payable, accrued charges, provisions and unearned revenue.....	4,116	4,344
6	Pension liability (Note 6).....	2,914	2,726
	Total Liabilities	<u>36,196</u>	<u>34,420</u>
	NET DEBT	<u>(24,999)</u>	<u>(24,345)</u>
NON-FINANCIAL ASSETS			
	Inventories held for use.....	71	74
	Prepaid expenses.....	68	60
7	Tangible capital assets.....	13,857	13,611
	Total Non-Financial Assets	<u>13,996</u>	<u>13,745</u>
	ACCUMULATED DEFICIT	<u>(11,003)</u>	<u>(10,600)</u>
	Contingencies (Note 7)		
	Contractual Obligations (Note 8)		
	Contractual Rights (Note 18)		

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
For the Year Ended March 31, 2019

	2019 Budget Restated	(\$ millions) 2019	2018 Restated
REVENUE			
Income taxes:			
Corporation income tax.....	566	606	561
Individual income tax.....	3,475	3,628	3,424
Other taxes:			
Carbon tax.....	143	-	-
Corporations taxes.....	319	321	286
Fuel taxes.....	345	347	344
Land transfer tax.....	89	92	91
Levy for health and education.....	352	376	356
Retail sales tax.....	2,463	2,472	2,444
Tobacco tax.....	231	217	228
Other taxes	10	13	12
Education property taxes.....	848	847	827
Fees and other revenue:			
Fines and costs and other legal.....	57	59	59
Minerals and petroleum.....	13	17	15
Automobile and motor carrier licences and fees.....	155	166	163
Parks: Forestry and other conservation.....	35	36	38
Water power rentals.....	111	103	117
Service fees and Other miscellaneous charges.....	1,623	1,573	1,641
Tuition fees.....	339	364	331
Federal transfers:			
Equalization.....	2,037	2,037	1,821
Canada Health Transfers.....	1,410	1,413	1,365
Canada Social Transfers.....	518	518	501
Shared cost and other transfers.....	531	553	513
Net income from government business enterprises (Schedule 3).....	842	919	758
Sinking funds and other earnings.....	275	298	257
Total Revenue (Schedule 9).....	16,787	16,975	16,152

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
For the Year Ended March 31, 2019

		(\$ millions)	
	2019 Budget Restated	2019	2018 Restated
Total Revenue carried forward	<u>16,787</u>	<u>16,975</u>	<u>16,152</u>
EXPENSES			
Legislative Assembly.....	50	47	44
Executive Council.....	5	5	5
Agriculture.....	371	497	473
Civil Service Commission.....	21	21	21
Education and Training.....	4,473	4,394	4,395
Families.....	2,168	2,164	2,199
Finance.....	246	230	243
Growth, Enterprise and Trade.....	124	112	101
Health, Seniors and Active Living.....	6,787	6,572	6,469
Indigenous and Northern Relations.....	34	27	24
Infrastructure.....	474	448	505
Justice.....	712	677	641
Municipal Relations.....	369	367	416
Sport, Culture and Heritage.....	112	136	87
Sustainable Development.....	238	236	162
Enabling Appropriations.....	149	136	-
Other Appropriations.....	56	69	109
Debt Servicing.....	<u>1,034</u>	<u>1,000</u>	<u>952</u>
Total Expenses (Schedule 9)	<u>17,423</u>	<u>17,138</u>	<u>16,846</u>
In - Year Adjustment/Lapse*	<u>(115)</u>	<u>-</u>	<u>-</u>
NET LOSS FOR THE YEAR	<u><u>(521)</u></u>	<u><u>(163)</u></u>	<u><u>(694)</u></u>

* Note: Adjustments/Lapse was budgeted as an unallocated increase in revenue and/or a decrease in expense sectors listed. Actual results are reflected within the revenue and expense items above.

The 2018/19 budget has been restated on the same basis as the 2018/19 results for comparative purposes. Please refer to Schedule 10 for further details.

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCUMULATED DEFICIT
For the Year Ended March 31, 2019

	(\$ millions)	
	2019	2018 Restated
Opening accumulated deficit, as previously reported.....	(10,633)	(9,924)
Change in accounting policy (Note 1D(vii)).....	(15)	-
Change in government reporting entity (Note 19 A).....	(3)	(5)
Correction of errors (Note 19 B).....	30	30
Correction of errors (Note 19 C).....	7	7
Correction of errors (Note 19 D).....	<u>(1)</u>	<u>-</u>
Opening accumulated deficit, as restated.....	(10,615)	(9,892)
Other comprehensive income (loss) (Schedule 3).....	(225)	(14)
Net loss for the year.....	<u>(163)</u>	<u>(694)</u>
Closing accumulated deficit.....	<u><u>(11,003)</u></u>	<u><u>(10,600)</u></u>

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31, 2019

	(\$ millions)		
	2019 Budget Restated	2019	2018 Restated
Net loss for the year.....	(521)	(163)	(694)
Tangible capital assets (Schedule 7)			
Acquisition of tangible capital assets.....	(1,310)	(1,019)	(1,123)
Amortization of tangible capital assets.....	739	734	713
Disposal of tangible capital assets.....	-	39	48
Net acquisition of tangible capital assets.....	(571)	(246)	(362)
Other Non-Financial Assets			
Decrease (Increase) in inventories.....	-	3	3
Decrease (Increase) in prepaid expenses.....	-	(8)	(2)
Net acquisition of other non-financial assets	-	(5)	1
Other comprehensive income (loss) (Schedule 3).....	-	(225)	(14)
(Increase) in Net Debt.....	(1,092)	(639)	(1,069)
Net Debt, beginning of year, as previously reported.....	(23,952)	(24,365)	(23,294)
Change in accounting policy (Note 1D(vii)).....	-	(15)	-
Change in government reporting entity (Note 19 A).....	-	(1)	(3)
Correction of error (Note 19 B).....	-	30	30
Correction of error (Note 19 C).....	-	7	7
Correction of error (Note 19 D).....	-	(16)	(16)
Net Debt, beginning of year, as restated.....	(23,952)	(24,360)	(23,276)
Net Debt, end of year.....	<u>(25,044)</u>	<u>(24,999)</u>	<u>(24,345)</u>

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOW
 For the Year Ended March 31, 2019

	(\$ millions)	
	2019	2018 Restated
Cash and cash equivalents provided by (used in)		
Operating Activities		
Net loss for the year.....	(163)	(694)
Changes in non-cash items:		
Temporary investments.....	(21)	(218)
Amounts receivable.....	(36)	(103)
Valuation allowance.....	15	132
Inventories.....	11	20
Prepays.....	(8)	(2)
Accounts payable, accrued charges, provisions and unearned revenue.....	(228)	261
Pension liability.....	188	169
Amortization of foreign currency fluctuation.....	6	6
Amortization of debt discount.....	(8)	11
Unamortized losses on derivative contracts.....	(11)	(8)
Loss on disposal of tangible capital assets.....	39	47
Amortization of tangible capital assets.....	734	713
	<u>518</u>	<u>334</u>
Other comprehensive income (loss) (Schedule 3).....	(225)	(14)
Changes in equity in government business enterprises and government business partnerships.....	(79)	(134)
Cash provided by operating activities	<u>214</u>	<u>186</u>
Capital Activities		
Acquisition of tangible capital assets.....	(1,019)	(1,123)
Cash used in capital activities	<u>(1,019)</u>	<u>(1,123)</u>
Investing Activities		
Investments purchased.....	(4,662)	(3,972)
Investments sold or matured.....	2,299	1,067
Cash used in investing activities	<u>(2,363)</u>	<u>(2,905)</u>
Financing Activities		
Debt issued.....	7,281	5,310
Debt redeemed.....	(3,118)	(2,551)
Cash provided by financing activities	<u>4,163</u>	<u>2,759</u>
Increase in cash and cash equivalents	995	(1,083)
Cash and cash equivalents, beginning of year.....	<u>1,695</u>	<u>2,778</u>
Cash and cash equivalents, end of year.....	<u><u>2,690</u></u>	<u><u>1,695</u></u>
Supplementary information:		
Interest received.....	<u>296</u>	<u>256</u>
Interest paid.....	<u>994</u>	<u>953</u>

The accompanying notes and schedules are an integral part of these financial statements.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

A. General Basis of Accounting

The summary financial statements have been prepared in accordance with Canadian public sector accounting standards.

B. The Government Reporting Entity

Various government components, government organizations (GOs), government business enterprises (GBEs) and government business partnerships (GBPs) comprising the Government Reporting Entity (GRE) are listed in Schedule 8 to the summary financial statements.

To be considered a part of the GRE, an organization must be controlled by the Government or under the shared control of the Government. Control, as defined by the Public Sector Accounting Board (PSAB), is the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the Government from the other organization's activities.

The not-for-profit personal care homes are individual corporations operated by their own boards of directors. The personal care homes are included in the GRE. The nature of the relationship between the Province and not-for-profit personal care homes is such that control over their assets has been determined to exist for accounting purposes only and not for legal purposes.

C. Basis of Consolidation

GOs, with the exception of GBEs and GBPs, are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the GRE as outlined in note 1D of the significant accounting policies. Inter-entity accounts and transactions are eliminated upon consolidation, except for retail sales tax. Where the fiscal year-end dates of the GOs are not the same as that of the GRE, and their transactions significantly affect the financial statements, their financial results are updated to March 31.

GBEs, whose principal activity is carrying on a business, maintain their accounts in accordance with accounting principles which are generally accepted for business enterprises and which are considered appropriate to their individual objectives and circumstances. They derive the majority of their revenue from sources outside the GRE. They are reported in these summary financial statements using the modified equity method of accounting. Under the modified equity method, the original investment of the Government in GBEs is initially recorded at cost and adjusted annually to include the net income or losses and other net equity changes of these enterprises, without adjusting their accounting policies to a basis consistent with that of the GRE.

The financial results of GBEs are not updated to March 31, where their fiscal year end is not the same as that of the GRE, except when transactions, which would significantly affect the summary financial statements, occur during the intervening period. Inter-entity accounts and transactions with GBEs are not eliminated. Supplementary financial information describing the financial position and results of operations of these enterprises is presented in Schedule 3 to the summary financial statements.

The characteristics of a GBP are similar to a GBE except the organization is a partnership under shared control, rather than a government organization under the control of the Province. GBPs are accounted for in the summary financial statements using the modified equity method. The Province accrues its share of the GBP's net income or losses, and other net equity changes, without adjusting the GBP's accounting policies to a basis consistent with that of the GRE. The Province's share of the assets, liabilities and results of operations for its GBPs are presented in Note 5 to the summary financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Basis of Specific Accounting Policies

(i) Gross Accounting Concept

Revenues and expenses are recorded as gross amounts with the following exceptions:

- (1) Refunds of revenue are treated as reductions of current year revenue.
- (2) Decreases in valuation allowances are treated as reductions to expense.
- (3) Where there is sufficient evidence that the borrowings undertaken by the Government are specifically on behalf of a GBE, the recoveries of the debt servicing costs on self-sustaining debt of GBEs are recorded as a reduction of debt servicing expense.

(ii) Revenue

(1) Government transfers

Transfer payments from the Government of Canada include all accruals determined for current year entitlements that have been authorized by March 31, for which any eligibility criteria have been met and that can be reasonably estimated.

(2) Taxes

Revenues from individual and corporation income tax are accrued in the year earned based upon estimates made by the Government of Canada using statistical models. These revenues are recorded at estimated amounts after considering adjustments for tax concessions and other adjustments from the Government of Canada. Transfers made through the tax system are recognized as an expense.

Revenues from other taxes are accrued in the year earned and are recorded net of tax concessions and other adjustments. Transfers made through the tax system are recognized as an expense.

(3) Other revenue

All other revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

(iii) Expenses

(1) Accrual accounting

All expenses incurred for goods or services received are recorded on an accrual basis.

Expenses include provisional amounts recorded in anticipation of costs, which are quantifiable and have been identified as obligations.

(2) Government transfers

Government transfers are recognized as expenses in the period in which the transfer is authorized, any eligibility criteria are met, and the amounts can be reasonably estimated.

(iv) Financial Assets

(1) Accounts receivable

Accounts receivables are recorded at their full expected amount. A valuation allowance is recorded when collection of the receivable is considered doubtful.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(2) Loans and advances

Loans and advances are recorded at cost less valuation allowances. A valuation allowance is provided to reduce the value of the assets to their estimated realizable value or to reflect the impact of significant concessionary terms on outstanding loans. Valuation allowances are made when collection is considered doubtful. Premiums that may arise from the early repayment of loans or advances are reflected as deferred revenue and are amortized monthly to debt servicing expense over the term of the loan or advance.

(3) Investments

Investments denominated in foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at March 31, unless the rate of exchange or a forward foreign exchange contract fixing the value has been negotiated, in which case that rate or amount is used. The year end investment translation adjustments reflecting the foreign currency fluctuation between year ends are amortized monthly over the remaining life of the investment and are included with debt servicing expense. Expenses and other transaction charges incurred on the purchase of investments during the year are charged to debt servicing expense. Those expenses incurred in a foreign currency are translated at the exchange rate in effect on the transaction date. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(4) Inventories for resale

Inventories held for resale are recorded at the lower of cost and net realizable value.

Inventory for resale includes land under development. Land under development includes the value of land and all costs directly related to the land improvement. Development site preparation, architectural, engineering, surveying, fencing, landscaping and infrastructure for electrical, roads and underground works.

Land held for future development or sale is valued at the lower of cost or appraised value adjusted for estimated disposal purchase price and related acquisition costs.

(v) Liabilities

Liabilities are present obligations to outside parties and GBEs as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

(1) Borrowings

All borrowings are expressed in Canadian dollars and are shown net of unamortized debt issue costs and debt of the Government held as provincial investments. Foreign borrowings are translated at the exchange rate in effect at March 31, adjusted for any forward foreign exchange contract entered into for settlement after the fiscal year end. Discounts or premiums, and commissions incurred at the time of the issue of debt are amortized monthly to debt servicing expense over the term of the debt.

The year end translation adjustments, reflecting the foreign currency fluctuation from the value at the issue date, are recorded through the unamortized foreign currency fluctuation account and amortized monthly to debt servicing expense over the remaining term of the debt. The unamortized portion of foreign currency fluctuation also reflects the gains or losses on the translation of foreign currency debt called prior to maturity using the rates in effect at the time of the call. These gains or losses are amortized over the original remaining term of the debt or over the term of the replacement issue, whichever is shorter.

Premiums on interest rate options are amortized monthly over the period of the applicable agreement. If the option is exercised, the premium will continue to be amortized to the maturity date of the agreement. If the option is not exercised, any unamortized premium will be immediately taken into revenue or expense. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(2) Pension liability

The Government accounts for employee pension plans by recognizing a liability and an expense in the reporting period in which the employee has provided service using the accrued benefit actuarial cost method, except as disclosed in Note 6. The value of plan assets is determined using a moving average fair value method. Under this method, fair value is the underlying basis, with any excess (or shortfall) of investment returns over (or below) the expected long-term rate being amortized over a five year period. When actual experience varies from actuarial estimates, for both the accrued benefit obligation and plan assets, the difference is amortized over the expected average remaining service life of the related employee group. Past service costs from plan amendments are recognized in full as expenses in the year of the amendment.

(3) Employee future benefits

The Government recognizes the cost of accumulating benefits in the periods the employee provides service. For benefits that do not vest or accumulate, a liability is recognized when the event that obligates the Government to pay benefits occurs. The amount of the liabilities for severance, the long term disability income plan and workers compensation claims are based upon actuarial calculations.

The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations because actual experience is different from that expected and/or because of changes in the actuarial assumptions used. The resulting actuarial gains or losses for the severance liability are amortized over the expected average remaining service life of the related employee group. Actuarial gains and losses for the Long Term Disability Income Plan and the workers compensation claims are recognized as they arise. The liability is included under employee future benefits.

The Government accrues a liability for vacation pay and accumulating, non-vesting sick pay benefits. The liability for accumulating, non-vesting sick pay benefits is based upon a review of past experience to extrapolate a liability based upon expected future utilization of currently accumulated benefits. The liability is recognized under salaries and benefits.

(4) Guarantees

Guarantees by the Government are made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. The provisions for losses on guaranteed loans are determined by a review of individual guarantees. A provision for losses on these guarantees is recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of probable claims against the guarantees. Where circumstances indicate the likelihood of claims arising, provisions are established for those loan guarantees.

(5) Liability for contaminated sites

The Government recognizes a liability for remediation of contaminated sites when the following criteria have been met: there is evidence that contamination exceeds an environmental standard, the Government is directly responsible or accepts responsibility for the contamination, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. In cases where the Government's responsibility is not determinable, a contingent liability may be disclosed.

The liability reflects the Government's best estimate of the amount required to remediate the site to the current minimum standard of use prior to contamination, as of the financial statement date. The liability is determined on a site-by-site basis and is reduced by estimated recoveries from third-parties. Recorded liabilities are adjusted each year for the passage of time, new obligations, changes in management estimates and actual remediation costs incurred. The Government measures the liability using present value techniques when cash flows are expected to occur over extended future periods.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(vi) Non-Financial Assets

(1) Recognition and measurement

In the public sector, recognition and measurement of tangible capital and other non-financial assets are based on their future service potential. Generally, such assets do not generate future net cash inflows. Therefore, these assets will not provide resources to discharge the liabilities of the Government. For non-financial assets, the future economic benefit consists of their capacity to render service to fulfill the Government's objectives.

(2) Inventories

Inventories held for resale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date. Inventories held for use are classified as non-financial assets.

(3) Prepaid expenses

Prepaid expenses are payments for goods or services which will provide economic benefits in future periods. The prepaid amount is recognized as an expense in the year the goods or services are used or consumed.

(4) Tangible capital assets

The cost of tangible capital assets purchased includes the purchase price as well as costs such as installation costs, design and engineering fees, survey and site preparation costs and other costs incurred to put the asset into service. The cost of tangible capital assets constructed by the Government includes all direct construction costs such as materials, labour, design, installation, engineering, architectural fees, and survey and site preparation costs, as well as overhead costs directly attributable to the construction activity such as licenses, inspection fees, indirect labour costs, and amortization expense of any equipment which was used in the construction project. Any carrying costs associated with the development and construction of tangible capital assets is included for projects whose cost exceeds \$20 million and development time exceeds one year.

Certain assets, which have historical or cultural value, including works of art, historical documents as well as historical and cultural artefacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Economic resources such as Crown land, mineral rights, timber rights, fish and wildlife meet the definition of an asset, however they are not recognized in the summary financial statements because an appropriate basis of measurement and a reasonable estimate of the amount involved cannot be made; or Canadian public sector accounting standards prohibit its recognition.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General Tangible Assets:

Land	Indefinite
Buildings and leasehold improvements	
Buildings	10 to 60 years
Leasehold improvements	Life of lease
Vehicles and equipment	
Vehicles	3 to 10 years
Aircraft and vessels	5 to 24 years
Machinery, equipment and furniture	3 to 20 years
Maintenance and road construction equipment	15 years
Computer hardware, software licences	3 to 15 years

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Infrastructure Assets:

Land	Indefinite
Land improvements	10 to 30 years
Transportation	
Bridges and structures	40 to 75 years
Provincial highways, roads and airstrips	10 to 40 years
Dams and water management structures	40 to 100 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is put into service.

(vii) Changes in Accounting Policy

Effective April 1, 2018 Manitoba Hydro-Electric Board adopted IFRS 15 – Revenue from Contracts with customers. The implementation of IFRS 15 had an impact on the accounting policy with respect to contributions from customers and developers. Prior to April 1, 2018 contributions from both customers and developers were initially recorded as deferred when received and were recognized as revenue over the life of the related asset for which the contributions were received. Contributions from developers are not within the scope of IFRS 15 as they do not give rise to a contract with a customer. Revenues with customers are recognized when the control of goods and services has been transferred to the customer at a point in time or over time. This change in accounting policy was applied retroactively without restatement, resulting in a \$15 million decrease in the opening retained earnings balance of Manitoba Hydro as of April 1, 2018 and a \$15 million increase in the Province’s net debt. This adjustment results in a \$15 million variance between the March 31, 2018 closing balance and the April 1, 2018 opening balance for the accumulated deficit and the net debt amounts in the financial statements.

(viii) Classification by Sector

The Province reports operational results under the following sectors; health, education, families, community economic and resource development, justice and other expenditures, and general government. The entities and departments included in each sector are identified in Schedule 8 to the summary financial statements.

The health sector includes provincial health care programs and includes all health related entities and services.

The education sector includes all education services including elementary, secondary and post-secondary services, including the pension related expenses associated with this sector.

The families sector includes all social services related to employment and income support for individuals in need as well as a comprehensive range of social services and financial assistance programs provided to Manitobans throughout the Province. The sector also contains the management and administration of housing policies and benefits for low to moderate income renters and homeowners.

The community, economic and resource development sector includes the promotion and development of the Province’s natural resources including the support of industries within this sector. It also includes the operation and maintenance of transportation systems including highway infrastructure and other Government infrastructure.

The justice and other expenditures sector includes general administration, finance, executive and legislature, cultural and sport related activities. The sector contains criminal and civil legal services and programs that protect the rights of Manitobans.

The general government sector is comprised of those activities that cannot be allocated to the specific sectors noted above.

Inter-segment transfers between sectors are measured at the exchange amount.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of individual and corporate income taxes, Canada Health Transfer and Canada Social Transfer entitlements, accrual for federal shared cost programs, accruals for pension obligations, accruals for the remediation of contaminated sites, allowances for doubtful loans, accruals for liabilities valued through actuarial valuations, such as long term disability, severance, sick pay obligations and workers compensation claims and advances and provision for losses on guarantees.

The nature of the uncertainty related to the accrual of health and social transfer payments from the Government of Canada and individual and corporate income taxes arises because of the possible differences between the estimates for the economic factors used in calculating the accruals and actual economic results. Uncertainty related to accruals for pension obligations arises because actual results may differ significantly from the Government's best estimates of expected results based on variables such as earnings on pension investments, salary increases and the life expectancy of claimants. Uncertainty related to the accrual for the remediation of contaminated sites exists because the remediation activities, methods, and the extent of contamination may differ significantly from the Government's original assessment of the site and proposed remediation plans. Uncertainty concerning the allowance for doubtful loans and advances is based upon actual collectability and changes in economic conditions.

While management's best estimates have been used for reporting items subject to measurement uncertainty, it is possible that changes in future conditions in the near term could require a material change in the valuation of the reported amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

2. TEMPORARY INVESTMENTS

	(\$ millions)	
	2019	2018
Temporary investments	615	594

Temporary investments are recorded at cost, which approximates market value. Temporary investments consist of investments with financial institutions, government bonds and other short term investment vehicles. All of the securities have terms to maturity of less than one year.

3. PORTFOLIO INVESTMENTS

	(\$ millions)	
	2019	2018
Sinking funds	741	871
Other investments	657	610
Unamortized termination losses on derivative contracts	-	3
	1,398	1,484

Portfolio investments are recorded using the cost method. Under this method, any discount or premium arising on the purchase of a fixed term security is amortized over the period to maturity. Portfolio investments are written down to market value only in those circumstances where the loss in value is other than temporary in nature. As at March 31, 2019, the market value of portfolio investments was \$1,529 million (2018 - \$1,582 million).

3. PORTFOLIO INVESTMENTS (Continued)

Sinking Funds

Section 60 of The Financial Administration Act authorizes the Minister of Finance to provide for the creation and management of sinking funds for the orderly retirement of debt. The Government's sinking fund currently provides for the repurchase of foreign debt and the pre-funding of maturing debt issues. The sinking fund is invested principally in securities issued or guaranteed by federal and provincial governments. Sinking funds are invested in fixed income securities as follows:

	(\$ millions)			
	2019		2018	
	Book Value	Fair Value	Book Value	Fair Value
Government of Canada, direct and guaranteed	38	39	37	36
Provincial, direct and guaranteed	591	587	746	718
Municipal	110	111	84	84
Corporate	2	3	4	4
	<u>741</u>	<u>740</u>	<u>871</u>	<u>842</u>

Investment revenue earned on sinking funds during the year was \$28 million (2018 - \$28 million).

The sinking funds are allocated as follows:

	(\$ millions)	
	2019	2018
Sinking funds	745	880
Less: Uninvested portion of sinking funds held in cash and cash equivalents	(4)	(9)
Total sinking funds held in portfolio investments	<u>741</u>	<u>871</u>

Other Investments

	(\$ millions)	
	2019	2018
Guaranteed investment certificates	21	32
Bonds – Government of Canada, provincial and municipal	276	231
Bonds – Corporate	111	113
Equity investments	209	195
Investments in real estate	40	39
	<u>657</u>	<u>610</u>

As at March 31, 2019 the market value of other investments was \$789 million (2018 - \$740 million). Other investments earned \$25 million during the year (2018 - \$23 million).

4. EQUITY IN GOVERNMENT BUSINESS ENTERPRISES

The GBEs that are included in the summary financial statements are listed in Schedule 8 and are classified as follows:

Category	Definition
Utility	An enterprise which provides public utility services for a fee. This category includes Manitoba Hydro-Electric Board.
Insurance	An enterprise which provides insurance coverage services to the public for a fee. This category includes Manitoba Public Insurance Corporation, and Deposit Guarantee Corporation of Manitoba.
Finance	Enterprises which provide regulatory control, and are revenue generating or enterprises which use economy of scale to deliver goods and services to the public. This category includes Manitoba Liquor and Lotteries Corporation.

The operating results and financial position of each GBE category are reported in Schedule 3 to the summary financial statements. The year end of each GBE is as follows:

Manitoba Hydro-Electric Board	- March 31, 2019
Manitoba Liquor and Lotteries Corporation	- March 31, 2019
Manitoba Public Insurance Corporation	- February 28, 2019
Deposit Guarantee Corporation of Manitoba	- December 31, 2018

Included in the equity in GBEs are equities which are restricted for use by provincial legislation and thereby not available to discharge Government liabilities or to finance other Government programs. The equity in GBEs is comprised of:

	(\$ millions)	
	2019	2018
Restricted Equity in Government Business Enterprises:		
Deposit Guarantee Corporation of Manitoba	327	306
Manitoba Hydro-Electric Board	2,261	2,248
Manitoba Public Insurance Corporation	430	401
	<u>3,018</u>	<u>2,955</u>
Unrestricted Equity in Government Business Enterprises:		
Manitoba Liquor and Lotteries Corporation	5	5
Manitoba Public Insurance Corporation	12	12
	<u>17</u>	<u>17</u>
Equity in Government Business Enterprises	<u>3,035</u>	<u>2,972</u>

5. EQUITY IN GOVERNMENT BUSINESS PARTNERSHIPS

North Portage Development Corporation (NPDC) is a government partnership that is owned equally by the Government of Canada, the Province of Manitoba and the City of Winnipeg. The mission of NPDC is to act as a catalyst, encouraging activities for people in the downtown through public and private partnerships and to work to ensure financial self-sufficiency. NPDC is responsible for the continuing renewal and stewardship of two sites in Winnipeg's downtown: the North Portage area and The Forks. NPDC is involved in certain business and core activities regarding the ownership, development and management of its two sites that include land investment properties and public amenities.

The Province's share of the equity at March 31, 2019 is \$20 million (2018 - \$19 million). The Province's share of the operating results for the year ended March 31, 2019 was \$ nil (2018 - \$ nil) and is included in fees and other revenues.

The condensed supplementary financial information of NPDC is as follows:

	(\$millions)	
	2019	2018
Property, plant and equipment and investment in properties and infrastructure enhancements	76	75
Short-term investments and other assets	7	7
	<u>83</u>	<u>82</u>
Deferred contributions from shareholders	10	10
Long-term mortgage	9	9
Current and other liabilities	5	5
	<u>24</u>	<u>24</u>
Net equity	<u>59</u>	<u>58</u>
	<u>83</u>	<u>82</u>
Comprehensive income		
Revenues	16	16
Expenses	13	12
Operating income before amortization	3	4
Amortization	(2)	(3)
Net income for the year	<u>1</u>	<u>1</u>

6. PENSION PLANS

The Government participates in various pension plans. The two primary plans, in which the Government directly participates, are the Civil Service Superannuation Plan and the Teachers' Pension Plan. As per the Acts that administer these plans, the Government is responsible for 50% of pension benefits earned by employees. These Plans are joint trustee plans. The Government's pension liability reflects its share of the actuarial present values of pension benefits attributed to services rendered by employees and former employees, net of any plan assets which are set aside by the Government in an irrevocable trust. As of March 31, 2019, the pension liability for the Civil Service Superannuation Plan was \$958 million (2018 - \$913 million) and the pension liability for the Teachers' Pension Plan was \$1,773 million (2018 - \$1,664 million).

Other pension plans in which the Government participates include the Members of the Legislative Assembly Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan and the Winnipeg Child and Family Services Employee Benefits Retirement Plan. The Government is responsible for any excess of accrued pension benefits over pension fund assets for these plans.

The Government also includes several other pension plans in its pension liability. These other plans include post-secondary education pension plans and public school divisions' pension plans. Post-secondary education pension plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan. Public school divisions' pension plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division, Retirement Plan for Employees of Frontier School Division and School District of Mystery Lake Pension Plan. The Government is responsible for any excess of accrued pension benefits over pension fund assets for these plans.

6. PENSION PLANS (Continued)

Employees in the health sector are members of the Healthcare Employees Pension Plan, a multi-employer defined benefit pension plan established between employees and participating boards. Because the Government does not sponsor this plan, the accrued benefit liability of this plan is not recognized in these financial statements. The annual net benefit plan expense is the amount of required contributions provided for employees' services rendered during the year. During the year, the Government expensed contributions to this plan of \$188 million (2018 - \$184 million). At December 31, 2018 the Plan had an excess of net assets available for benefits over pension obligations of \$178 million (December 31, 2017 - \$654 million).

As at March 31, 2019, the total pension liability being reflected in the summary financial statements was \$2,914 million (2018 - \$2,726 million). Details related to the pension liability are provided in Schedule 6 to the summary financial statements. The following provides general information on the contributions and benefit formulas of the various pension plans, which are included in this schedule.

A. Civil Service Superannuation Plan

The Civil Service Superannuation Act (CSSA) established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government through the Civil Service Superannuation Fund (CSSF).

The lifetime pension calculation equals 2% of a member's best five-year average yearly pensionable earnings multiplied by pensionable service, minus 0.4% of the average Canada Pension Plan (CPP) earnings multiplied by pensionable service since January 1, 1966.

The CSSA requires employees to contribute 8.0% of pensionable earnings up to the CPP maximum pensionable earnings, and 9.0% on pensionable earnings above the maximum.

89.8% of employee contributions are used to fund basic benefits and 10.2% of employee contributions are allocated to funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees.

Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in CSSF can finance one-half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

As a joint trustee plan, Schedule 6 only reports the Province's conditional share of the net obligation. The estimated financial position of both the employee and employer components of the Civil Service Superannuation Plan are reported in the December 31, 2018 audited financial statements of CSSF. At December 31, 2018, after accounting for provincial pension assets held in trust and trust assets held in trust for GBEs, CSSF had an estimated accrued net obligation of \$1,892 million (2017 - \$860 million). This valuation is not on the same basis of reporting as the summary financial statements and does not include adjustments for unamortized actuarial gains or losses nor the impact of valuing assets on a market related value basis as opposed to market value. This valuation also includes estimated net obligations related to GBEs, which are included in the summary financial statements on a modified equity basis, and other entities that are not part of the GRE.

B. Teachers' Pension Plan

The Teachers' Pensions Act (TPA) established a defined benefit plan to provide pension benefits to teachers who have taught in public schools in Manitoba.

The lifetime pension calculation is generally based upon 2% of a member's average salary of the best five of the final 12 years of service (best seven prior to July 1, 1980) multiplied by pensionable service, minus the years of service multiplied by 0.6% of the annual salary up to the yearly maximum pensionable earnings. The pension amount is subject to a maximum of 70% of the average annual salary used above.

The TPA requires that teachers contribute 7.3% of pensionable earnings up to the CPP maximum earnings, and 8.9% of pensionable earnings above the maximum. Commencing September 1, 2012 teacher contributions increased .5% per year and continued increasing until September 1, 2015. As of September 1, 2015 the TPA requires teachers to contribute 8.8% of pensionable earnings up to the CPP maximum pensionable earnings and 10.4% of pensionable earnings above the maximum. 83.2% of teacher's contributions are used to fund basic benefits and 16.8% of teachers contributions are allocated for funding indexing benefits.

6. PENSION PLANS (Continued)

On May 16, 2018, the Lieutenant Governor in Council approved a regulation to disburse the restricted surplus held in the Pension Adjustment Account over a five-year period commencing with the Cost of Living Adjustment (COLA) granted effective July 1, 2018. The restricted surplus disbursement will increase the 2018 COLA by 0.20%, resulting in a total COLA of 1.35% effective July 1, 2018. The balance of the restricted surplus will be disbursed in equal amounts over the following four years, ending with the COLA effective July 1, 2022. It is estimated that COLA would increase by a further 0.17% on average from 2019 to 2022, for a cumulative increase of between 0.8% and 0.9% by the end of the five-year disbursement period. Actual increases will, however, depend on the economic and demographic conditions that occur during the disbursement period. Pensions are adjusted annually by the lesser of the change in the Canada Consumer Price Index (December over December), or the amount actuarially available to fund one-half of the cost of living adjustment ("COLA").

As a joint trustee plan, Schedule 6 only reports the Province's conditional share of the net obligation. The estimated financial position of both the employee and employer components of the Teachers' Pension Plan are reported in the December 31, 2018 audited financial statements of Teachers' Retirement Allowances Fund (Fund). At December 31, 2018, after accounting for provincial pension assets held in trust, the Fund had an estimated accrued net surplus of \$672 million (2017 – net obligation of \$1,227 million). This valuation is not on the same basis of reporting as the summary financial statements and does not include adjustments for unamortized actuarial gains or losses nor the impact of valuing assets on a market related value basis as opposed to market value.

C. Other Government Plans

(i) Members of the Legislative Assembly Plan

The pension plan for Members of the Legislative Assembly (MLAs) is established and governed by The Legislative Assembly Act (LAA).

For MLAs elected prior to the dissolution of the Assembly of the 35th Legislature, the LAA provides for defined pension benefits based on years of service to April 1995. The calculation for defined pension benefits is equal to 3% of the average annual indemnities for the last five years served as a member or all the years served; if less than five, multiplied by the number of years of pensionable service up to April 1995. These entitlements are fully indexed to cost of living increases.

For those MLA's elected after the 35th Legislature in April 1995, the LAA provides for matching contributions. Under the matching contributions provisions, MLAs may contribute up to 7.0% of their remuneration toward a Registered Retirement Savings Plan (RRSP) of their choice. The Government matches the member's contributions on a current basis; consequently, there is no liability for past service benefits under this component of the plan. In the event that a member withdraws money from the RRSP, while an active member of the Legislative Assembly, the Government's contribution would be refundable back to the Government.

(ii) Legislative Assembly Pension Plan

The Members' Retirement Benefits Regulation of The Legislative Assembly Act established a defined benefit plan, effective December 7, 2005 that provides pension benefits to eligible MLAs who elect to participate in the plan.

The pension benefits accumulate up to a maximum period of 35 years at 2% per year of pensionable service based upon the average of the best five-year annual salaries, reduced by an amount equal to 0.25% times the number of months before the member's 60th birthday that the first pension payment is made. These entitlements are indexed to 2/3 of cost of living increases.

Active members must contribute 7.5% of their earned salary to the plan. The Government makes contributions as necessary to ensure the pension fund has sufficient assets to cover the monthly pension payments to retirees as well as ensuring there are sufficient funds to cover any of the plans liabilities. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

6. PENSION PLANS (Continued)

(iii) Judges' Supplemental Pension Plan

Manitoba Provincial Court Judges and Masters are members of the Civil Service Superannuation Plan; however, they also receive enhanced pension benefits under the Manitoba Provincial Court Judges and Masters' Supplemental Pension Plan. These supplemental pension benefits for judges are the difference between the total pension benefits for judges, including the amendments introduced by Judicial Compensation Committees, and the formula pension available under The Civil Service Superannuation Act (CSSA) as described above in Note 6A.

The supplemental pension is generally based upon an accrual rate of 3% for each year of service, as a judge, up to a maximum of 23.5 years, reduced by the pension provided under the CSSA. The combined total of the Judges' Supplemental Pension and Civil Service Superannuation Pension is subject to a maximum of 70% of earnings. These enhanced benefits are entirely funded by the Government.

(iv) Winnipeg Child and Family Services Employee Benefits Retirement Plan

Established effective December 29, 2003, the Winnipeg Child and Family Services Employee Benefits Retirement Plan applies to employees of the former Winnipeg Child and Family Services Agency, who transferred to the Department of Families.

The lifetime pension calculation equals 1.4% of the member's highest average pensionable earnings up to the CPP maximum and 2.0% of any excess earnings multiplied by pensionable service. The lifetime pension is subject to an overall maximum of the member's number of years of contributory service, multiplied by the lesser of \$1,722 or such greater amount permitted under the Income Tax Act; and 2% of the member's highest average indexed compensation in any 3 overlapping periods of 12 consecutive months. Indexing payments are subject to approval by the Trustees and increases in the Consumer Price Index.

Members are required to contribute 4.5% of pensionable earnings up to the CPP maximum and 6% on pensionable earnings over the maximum. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

D. Other Pension Plans

(a) Post-Secondary

(i) University of Manitoba Pension Plan

The University of Manitoba administers The University of Manitoba Pension Plan (1993) and The University of Manitoba GFT Pension Plan (1986). These are trustee pension plans. The Trustees are responsible for the custody of the plans' assets and issuance of annual financial statements. University of Manitoba Pension Plan (1993) is a money purchase plan with a defined benefit minimum. The funding for the plan requires a matching contribution from the University and the employees. The plan is not indexed. Plan members contribute at a rate of 9.0% of salary less an adjustment for the Canada Pension Plan during the year.

Retirement benefits are calculated by using the greater of the two methods: Formula and Plan Annuity. For each year of pensionable service, Formula benefit equals 2.0% of the average best five year salary, less 0.7% of the average best five year salary under the yearly maximum pensionable earnings in the year of retirement, to a maximum of 1/9 of the Pension Plans money purchase limit. The benefit is reduced by ¼% for each month between the actual pension commencement date and the age of 65. Plan Annuity benefit is based on contribution account balance, age at retirement, and the annuity factor determined by the plan actuary.

In 2009, the Manitoba Pension Commission advised that the University was required to begin to make additional payments with respect to current service costs in excess of matching contributions of active members and the University. The additional annual current service cost payments for fiscal 2019 was \$2 million (2018 - \$5 million).

The unamortized net actuarial gains (losses) were determined on the basis of the 2017 actuarial valuation and the 2018 extrapolation for accounting purposes, are being amortized over a period of nine years (expected average remaining service life) starting in the year following the year the respective annual actuarial gains or losses arise.

6. PENSION PLANS (Continued)

The University of Manitoba GFT Pension Plan (1986) is a defined contribution pension plan; therefore there is no requirement for an actuarial valuation of this plan.

(ii) University of Winnipeg Pension Plan

The University of Winnipeg administers the University of Winnipeg Pension Plan (UWPP), which is comprised of a defined benefit segment and a defined contribution segment. The assets of the Plan are held in trust by independent custodians. The defined benefit segment of the UWPP was closed to new members effective January 1, 2001. Members who join after this date join the defined contribution plan.

The UWPP was established as a contributory defined benefit pension plan on September 1, 1972 and covers all eligible employees of the University, except those who are members of the United Church of Canada Pension Plan. The funding for the plan requires a matching contribution from the University and the employees. Annual pension benefits equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of \$1,722.22 per year of pensionable service. At December 2017 the Plan had a going-concern deficiency of \$19 million, which the University is addressing by making annual deficiency payments of \$2 million until the deficiency is eliminated.

Since December 31, 2000, when the defined contribution segment of the Plan was introduced, approximately one-quarter of the eligible members converted to that plan. The obligation for pension benefits under the defined contribution segment of the Plan will always be equal to net assets in each member's account. Therefore, no surplus or deficiency arises from fluctuations in the investment market.

(iii) Brandon University Retirement Plan

Brandon University administers the Brandon University Retirement Plan, which is a trustee pension plan. The Trustees are responsible for the custody of the Plan's assets and issuance of annual financial statements.

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established on April 1, 1974 for the benefit of the employees of Brandon University. The funding for the plan requires a matching contribution from the University and the employees.

Employees are required to contribute 8.0% of pensionable earnings less 1.8% of pensionable earnings for which Canada Pension Plan contributions are required. Pensionable earnings are subject to an annual limit related to the maximum benefit accrual in a year.

Annual pension equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of \$1,722.22 per year of pensionable service for members retired on or before April 1, 2009, and \$1,975.00 for those retiring after that date.

The Plan will continue to be subject to the going-concern funding provisions of the Manitoba Pension Benefits Act and Regulations. The University will be required to fund the matching contributions, as well as the actuarial cost of the defined benefits in excess of the matching costs. The next going-concern valuation will be performed as at December 31, 2019 and will be completed in 2020.

(b) Public School Divisions

(i) The Winnipeg School Division Pension Fund for Employees Other Than Teachers

The Winnipeg School Division Pension Fund for Employees Other Than Teachers is a defined benefit pension plan for employees that meet specified employment conditions. The fund was created by By-law 196 of the Winnipeg School Division (replaced by By-law 1017 on January 1, 1992) and is subject to the applicable regulations.

6. PENSION PLANS (Continued)

The pension benefits calculation is based on an amount equal to 1.6% of a member's average pensionable salary and 2.0% of a member's average salary over the pensionable salary, multiplied by a member's years of pensionable service. The average salary is determined by averaging the best five years of employment salary in the last twelve years of service.

Employee contributions equal 8.1% of pensionable salary and 9.5% of the earnings in excess of pensionable salary up to the yearly maximum pensionable earnings, effective January 1, 2014. The Winnipeg School Division matches employee contributions and pays an additional 12.4% of employee contributions. As a result, employer contributions equal approximately 112.4% of employee contributions.

(ii) Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division

The St. James-Assiniboia School Division Retirement Plan for Non-teaching Employees is a defined benefit pension plan that was established on January 1, 1978 and is subject to the applicable regulations.

The pension benefits calculation is based on an amount equal to 1.4% of a member's average employment earnings below CPP earnings and 2.0% of a member's employment earnings in excess of the CPP earnings, multiplied by a member's years of contributory service. The average employment earnings are determined by averaging the best six years of employment earnings in the last 12 years of service. Effective July 1, 2014, employee contributions were equal to 8.2% of CPP earnings and 9.8% of the employment earnings in excess of CPP earnings. The St. James-Assiniboia School Division matches employee contributions.

(iii) Retirement Plan for Employees of Frontier School Division

The Frontier School Division Retirement Plan is a defined benefit pension plan for non-teaching employees.

The pension benefit is based on an amount equal to 2.0% of a member's best average earnings, multiplied by a member's years of credited service. The average employment earnings are determined by averaging the best five years of employment earnings.

Employee contributions equal 9.0% of CPP earnings, with the Frontier School Division matching employee contributions. The Frontier School Division is responsible for the balance of the pension cost, of which a portion can be financed by an allocation from pension surplus.

(iv) School District of Mystery Lake Pension Plan

School District of Mystery Lake Pension Plan is a defined benefit plan.

The School District shall contribute in accordance with the terms of the collective agreement such amounts as necessary to provide the future service pension for all members and to amortize any unfunded liability or a solvency deficiency in the Plan. In the event the School District's contributions are not sufficient, the legislation permits the Board of Trustees to amend the plan to reduce future accrued pension benefits in order to meet the required legislated funding requirements.

Effective July 1, 2013 employees contribute 5.0% of gross earnings. Prior to July 1, 2013 employees did not make contributions to the plan. The plan provides that if the defined benefit pension exceeds the plan annuity, the difference is paid from the plan.

The pension benefits are calculated based on a rate per month per year of service. The current rate for maintenance workers is \$42 per month per year of service. For clerical workers, the pension benefit is \$37 per month per year of service.

E. Government Business Enterprises

Manitoba Hydro, Manitoba Liquor and Lotteries Corporation and Manitoba Public Insurance Corporation (MPIC) are members of the CSSF. Effective April 1, 2014 Manitoba Liquor and Lotteries Corporation became a matching employer. As a result, they no longer recognize a pension liability in their statements. The net pension liabilities for the other GBEs are disclosed in Schedule 3.

7. CONTINGENCIES

A. Contingent Liabilities

i) Legal Actions

The Government has been named in various legal actions. No provision has been made at March 31, 2019 in the accounts where the final results are uncertain, or where the results are likely but the amount of the liability cannot be reasonably estimated.

ii) Canadian Blood Services

All provincial and territorial governments of Canada, except Quebec, are members of, and provide funding to, Canadian Blood Services (CBS), which operates the Canadian blood system. The March 31, 2018 audited consolidated financial statements indicate that CBS has established two wholly-owned captive insurance companies to provide for the contingent liabilities for risks related to operations of the blood system: CBS Insurance Company Limited (CBSI) and Canadian Blood Services Captive Insurance Company Limited (CBSE).

CBSI provides insurance coverage up to \$250 million with respect to risks associated with the operation of the blood system. The related assets of CBSI as at March 31, 2018 total \$462 million (2017 - \$441 million). Based upon the above, the Government's share of the provision for future claims as at March 31, 2018 is offset with designated assets, which at that date exceed the provision.

CBS and CBSE have entered into an agreement whereby the members have agreed to provide insurance coverage for all amounts payable by CBSE under the terms of the excess policy up to \$750 million in excess of the \$250 million provided by CBSI. No payment shall be made under CBSE until the limit of the liability under the primary policy in CBSI has been exhausted. The members have agreed to contribute their pro rata share of the required capital of \$750 million. The members have each issued an indemnity to CBSE on their pro rata share of the \$750 million, calculated on the basis of their respective populations. Given current populations, Manitoba's maximum potential liability under its indemnity to CBSE is approximately \$36 million. The Government is not aware of any proceedings which could lead to a claim against it under the indemnity given to CBSE.

iii) Treaty Land Entitlement Obligations

The Government's obligations under the treaty land entitlement agreements require the setting aside of 1,426,454 acres of Crown lands and Other Lands (Acquisition) for reserve creation. As of March 31, 2019, the Entitlement First Nations have collectively selected and acquired approximately 1,056,269 acres of Crown lands and other lands. The Crown lands will be transferred according to the Natural Resources Transfer Agreement, and the transfer will include mines and minerals and other interests normally reserved for the Government, under The Crown Lands Act or any other statute. To meet this obligation, the Government of Manitoba has made available or transferred to the Government approximately 724,926 acres of provincial Crown lands for the purposes of reserve creation for Entitlement First Nations.

iv) Government Business Enterprise Contingencies

Significant contingencies for Government Business Enterprises include:

Manitoba Hydro has a mitigation program in place to address past, present, and ongoing adverse impacts arising from all past hydroelectric developments (prior to the Wuskwatim generating station), particularly for Indigenous people residing or engaged in resource harvesting in the project areas. In recognition of future mitigation payments, Manitoba Hydro has recorded a liability of \$187 million (2018 - \$204 million). In addition, Manitoba Hydro has recognized a provision of \$43 million (2018 - \$45 million) for certain mitigation related obligations arising from ongoing adverse effects of past hydroelectric development. There are other mitigation issues, the outcomes of which are not determinable at this time.

Manitoba Hydro has made alternative arrangements for firm transmission service to meet its export commitments should the Manitoba-Minnesota Transmission Project be delayed from its scheduled inservice date of June 2020. In addition, Manitoba Hydro has contracted with an independent third party pipeline company to increase transportation capacity, which includes a commitment to pay its share of the pre-license development costs associated with the contract, in the event that the federal license is not granted for the project. No obligating events have occurred and so provisions have not been booked.

7. CONTINGENCIES (Continued)
B. Loan Guarantees

The Government has guaranteed the repayment of debt, promissory notes, bank loans, lines of credit, mortgages and securities held by others. Debt guaranteed by the Government is guaranteed, as to principal and interest, until the debt is matured or redeemed. The authorized limits and the outstanding guarantees are summarized as follows:

	Authorized	(\$ millions)	
	Limit	2019	2018
Canadian Museum for Human Rights	25	4	7
Manitoba Agricultural Services Corporation (Note 7B.i)	-	71	72
Manitoba Housing and Renewal Corporation (Note 7B.ii)	20	11	11
Manitoba Student Aid Program	20	-	-
Triple B Stadium Inc. (Note 7B.iii)	35	26	23
Other	18	7	7
Total guarantees outstanding		119	120

A provision for future losses on guarantees in the amount of \$17 million (2018 - \$17 million) has been recorded in the accounts.

Note 7B.i) Manitoba Agricultural Services Corporation

The Manitoba Agricultural Services Corporation has guaranteed loans under the following programs:

<u>Program</u>	<u>General Terms and Conditions</u>
Operating Credit Guarantees for Agriculture	Each participating lending institution is guaranteed 25% of the maximum amount advanced under this program.
Operating Credit Guarantees for Rural Small Business	Each participating lending institution is guaranteed the lesser of 25% of the maximum amount advanced or 75% of the lender's actual eligible loss.
Manitoba Livestock Associations Loan Guarantees	Each association's lending institution is guaranteed 25% of their loaned amount, up to a maximum loan of \$8 million per association.
Enhanced Diversification Loan Guarantees	Guarantees are based on 25% of the original principal amount of each individual loan, with no maximum loan amount.
Rural Entrepreneur Assistance Program	Each participating lender is guaranteed up to 80% of the loan made to small rural non-agricultural business to a maximum guarantee of \$0.2 million.

Note 7B.ii) Manitoba Housing and Renewal Corporation

Manitoba Housing and Renewal Corporation has authority to guarantee the repayment of various mortgages and issue various letters of credit, which guarantee the terms and conditions of land development agreements and construction contracts, up to \$20 million. At March 31, 2019 outstanding guarantees under this authority totalled \$11 million (2018 - \$11 million).

Note 7B.iii) Triple B Stadium Inc.

Triple B Stadium Inc. (Triple B) is a for-profit corporation established to develop, own and operate a stadium as a venue for professional and university football and community athletics. The members of Triple B are the City of Winnipeg, the University of Manitoba and the Winnipeg Football Club.

The Government has guaranteed up to \$35 million of the indebtedness of Triple B to a third party lender. At March 31, 2019 the outstanding guarantee under this authority was \$26 million (2018 - \$23 million).

7. CONTINGENCIES (Continued)

Subsequent to March 31, 2019, the Province refinanced Triple B's loan facility and the guarantee agreement was terminated.

C. Government Business Enterprise Guarantees

As at March 31, 2019, Manitoba Hydro has outstanding Manitoba Hydro-Electric Board Bonds amounting to \$121 million (2018 - \$130 million). These bonds carry fixed coupon rates that range from 3.72% to 9.10%. The Government guarantees \$60 million (2018 - \$65 million) of these outstanding bonds. In addition, the Government guarantees \$ nil (2018 - \$50 million) of Manitoba Hydro's promissory notes carrying interest at variable rates.

Manitoba Hydro provides guarantees to counterparties for natural gas purchases. At March 31, 2019, there is an outstanding guarantee totalling \$30 million (2018 - \$30 million) which matures November 1, 2020. Letters of credit in the amount of \$72 million (2018 - \$75 million) have been issued for construction and energy related transactions with maturities until 2049.

The Deposit Guarantee Corporation of Manitoba (Corporation) has guaranteed \$29 billion in credit union deposits at the end of December 31, 2018 (December 31, 2017 - \$27 billion). Based upon its ongoing monitoring procedures, the Corporation has concluded that a provision for such contingencies does not need to be established at this time.

8. CONTRACTUAL OBLIGATIONS

The Government has entered into a number of multi-year contracts and agreements for the delivery of services and the acquisition or construction of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The following represents the amounts required to satisfy the contractual obligations, by the year that it is anticipated that the terms of the contract will be met, as at March 31:

(\$ millions)	2020	2021	2022	2023	2024	2025 and thereafter	Total
Government Organizations and components							
Service contracts	153	100	78	51	48	244	674
Rental of capital assets	39	36	34	31	28	186	354
Acquisition or construction of capital assets	420	152	156	172	165	1,125	2,190
Other contracts	97	88	40	38	29	132	424
Government Business Enterprises	11	10	9	9	9	68	116
Total	720	386	317	301	279	1,755	3,758

Other significant obligations not included in the table are:

Government Organizations

Government organizations have entered into contractual arrangements related to construction projects totalling \$597 million (2018 - \$630 million).

Government Business Enterprise Contractual Obligations

Manitoba Hydro has energy purchase commitments of \$2,742 million (2018 - \$1,591 million) that relate to future purchases of wind, natural gas (including transportation and storage contracts) and electricity. Commitments are primarily for transmission right access which expire in 2039, wind purchases which expire in 2038, and natural gas purchases which expire in 2037. In addition, other outstanding commitments principally for construction are approximately \$1,939 million (2018 - \$2,132 million).

Manitoba Liquor and Lotteries Corporation has purchase commitments of \$7 million (2018 - \$18 million) related to the casino and liquor operations construction projects.

9. DEBT SERVICING

Debt servicing costs of \$1 billion (2018 - \$952 million) are net of interest recoveries from GBEs of \$800 million (2018 - \$764 million), interest on provincial debt held as investments of \$17 million (2018 - \$17 million) and includes \$19 million (2018 - \$33 million) representing interest expense of government organizations. GBEs debt servicing costs of \$789 million (2018 - \$653 million) are reported in Schedule 3.

10. AMOUNTS HELD IN TRUST

Amounts held in trust are assets over which the Manitoba Legislature has no power of appropriation. These amounts are not included in the summary financial statements because the Government has no equity in the amounts and administers them according to trust or other agreed-upon arrangements. As at March 31, 2019 amounts held in trust were as follows:

	Valuation Method	(\$ millions)	
		2019	2018 Restated
Various Universities and Colleges	cost	616	575
Public Guardian and Trustee of MB	various	269	260
Production Insurance Trust	cost	437	204
Public Service Group Insurance Fund	market	245	234
Manitoba Development Corporation	cost	71	72
Hail Insurance Trust	cost	64	61
Other Fiduciary Trust	various	57	56
Custodial trust held by Departments	various	18	17
Suitor's Money Act	cost	14	14
		1,791	1,493

Universities and Colleges hold endowment and trust funds in the form of cash, cash equivalents, bonds, equities, real estate and other securities.

The Public Guardian and Trustee of Manitoba administers the estates and trusts of mentally disabled persons, deceased persons, and infants. The estates and trusts under administration are in the form of bonds, equities, real estate, mortgages and other securities.

Manitoba Agricultural Services Corporation (MASC) is the trustee for the Production Insurance Trust and the Hail Insurance Trust. These trusts were created for the benefit of program participants. The trusts will be used to pay program indemnities to participating producers. Funding for the trusts will be provided based on insurance premiums collected by MASC.

The Public Service Group Insurance Fund is administered by the Civil Service Superannuation Board. It includes three plans to provide life insurance, accidental death and disablement insurance, and dependents insurance for eligible employees and retired employees (and their eligible dependents) of the Government of Manitoba and most of its Agencies and Boards. These funds are in the form of cash, cash equivalents and equities.

Manitoba Development Corporation administers funds from the Business Investor Stream of the Provincial Nominee Program. These funds are invested in the form of cash, cash equivalents, bonds and investments.

Other Fiduciary Trust funds are interest bearing deposits which are pooled with the Government's investments in order to earn a market rate of interest. Government departments also hold custodial trust funds in the form of bonds and other securities.

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Borrowings in both Canadian and foreign financial markets result in exposure to risks, which include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Government employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost effective manner. A variety of strategies are used, including the use of derivative financial instruments (derivatives).

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Government uses derivatives to hedge and to mitigate foreign exchange risk and interest rate risk. The Government does not use derivatives for speculative purposes.

Foreign exchange risk

Foreign exchange risk is the risk that the cash flows needed to repay the interest and principal on loans in foreign currencies will vary due to fluctuations in foreign exchange rates.

To manage this risk, the Government uses derivative contracts, including foreign exchange forward contracts as well as swaps, to convert foreign currency principal and interest cash flows into Canadian dollar denominated cash flows. The current portfolio of foreign debt is fully hedged through the use of derivatives and U.S. dollar sinking funds, except for the impact of the unamortized foreign exchange fluctuation account of \$4 million (2018 - \$10 million). This account is fixed with no sensitivity to future foreign exchange rates.

Derivative contracts hedge the underlying debt by matching the critical terms to achieve effectiveness. The current policy has hedged the foreign currency debt principal and interest payments through the use of derivatives in relation to general purpose debt.

Manitoba Hydro has exposure to U.S. dollar foreign exchange fluctuations primarily through the sale and purchase of electricity and fuel in the U.S. This exposure is managed through a long-term natural hedge between U.S. dollar cash inflows from export revenues and U.S. dollar cash outflows for long-term debt coupon and principal payments. As a means to bridge temporary timing differences between inflows and outflows to future years' U.S. dollar requirements, Manitoba Hydro also utilizes derivative foreign exchange forward contracts as required.

Interest rate risk

Interest rate risk is the risk that debt servicing costs will vary unfavourably according to interest rate fluctuations.

To reduce its exposure to interest rate risk, the Government uses derivatives to manage the fixed and floating interest rate mix of its debt portfolio.

After taking into account derivatives used to manage interest rate risk, investments held as sinking funds and eliminating debt incurred on behalf of Manitoba Hydro, the structure of the debt as at March 31, 2019 was 89% at fixed rates and 11% at floating rates (2018 – 90% at fixed rates and 10% at floating rates). A one percent (100 basis points) movement in interest rates on the 11% floating rate debt for an entire year would increase/decrease debt servicing costs, net of recoveries, by \$31 million (2018 - \$27 million).

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations.

The Government manages its credit risk exposure from derivatives by, among other activities, dealing only with high credit quality counterparties and regularly monitoring compliance to credit limits. In addition, the Government enters into contractual agreements (“master agreements”) with all of its counterparties. As at March 31, 2019 the Government has a gross credit risk exposure related to derivatives of \$38 million (2018- \$174 million).

Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term.

To reduce liquidity risk, the Government maintains liquid reserves (i.e. cash and cash equivalents) at levels that will meet future cash requirements and will give the Government flexibility in the timing of issuing debt. In addition, the Government has short-term note programs, bank lines and sinking funds as alternative sources of liquidity. This risk is also managed by distributing debt maturities over many years.

11. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS (Continued)
Derivative portfolio

The following table presents the fair value of derivative financial instruments with contractual or notional principal amounts outstanding at March 31:

	(\$ millions)			
	2019			2018
	Notional Value	Fair Value	Notional Value	Fair Value
Interest rate and cross currency swaps	<u>49,319</u>	<u>(718)</u>	<u>48,154</u>	<u>(523)</u>

Notional amounts of derivatives contracts represent the contractual amounts to which a rate or price applied for computing the cash flows to be exchanged. The notional amounts are used to determine the gains/losses and fair value of the contracts and is generally a measure of the exposure to the asset class to which the contract relates. They are not recorded as assets or liabilities on the statement of financial position. Notional amounts do not represent the potential gain or loss associated with the market risk or credit risk associated with the derivative contract.

Fair values of the swap agreements are the estimated amount that the Government would receive or pay, based on market factors, if the agreements were terminated on March 31. They are established by discounting the expected cash flows of the swap agreements using year-end market interest and exchange rates. A positive (negative) fair value indicates that the government would receive (make) a payment if the agreements were terminated.

12. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT BUSINESS ENTERPRISES

Transactions with GBEs are not eliminated for purposes of summary reporting because they are reported in these summary financial statements using the modified equity method of accounting. These financial statements include the following transactions between the Government and GBEs, which have not been eliminated:

A. Accounts Receivable and Loans and Advances

Amounts receivable includes receivables from GBEs as reported in Schedule 1 to the summary financial statements. Loans and advances to GBEs are reflected in Schedule 2 to the summary financial statements.

B. Investments

MPIC holds \$656 million (2018 - \$708 million) of Provincial bonds and debentures with maturities dates ranging from 2019 to 2052 and interest rates ranging from 3.00% to 7.13%.

C. Water Power Rentals

Water power rental fees charged to Manitoba Hydro, in the amount of \$103 million (2018 - \$117 million), are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category. Water power rental rates are authorized by Regulation 25/88 and 197/2001 under The Water Power Act. Rentals are paid to the Government for the use of water resources in the operation of Manitoba Hydro's hydroelectric generating stations.

D. Fees on Government Guarantees

Manitoba Hydro remitted \$186 million (2018 - \$158 million) to the Government based on the amount of their debt that is guaranteed by the Government. The fees are included in the Consolidated Statement of Revenue and Expense under the sinking funds and other investment earnings category.

12. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT BUSINESS ENTERPRISES (Continued)

E. Driver Licensing Operations

The Government, by agreement, paid \$30 million (2018 - \$30 million) to MPIC for the management and administration of driver licensing. MPIC, on behalf of the Government, collected driver licensing fees totalling \$25 million (2018 - \$25 million) and motor vehicle registration fees totalling \$190 million (2018 - \$189 million). The fees received by the Government are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category.

F. Other Revenue

Manitoba Liquor and Lotteries Corporation provided \$5 million in funding to the Addictions Foundation of Manitoba for the year ended March 31, 2019 (2018 - \$8 million) for addictions and problem gambling services programs. In addition, the Corporation provided \$5 million (2018 - \$5 million) in funding to the Liquor, Gaming and Cannabis Authority of Manitoba and the Crown Services Secretariat through the payment of annual licence fees and levies.

Manitoba Hydro paid the Government \$103 million (2018 - \$95 million) for corporation capital tax. MPIC paid the Government \$39 million (2018 - \$36 million) for insurance premium tax. GBEs paid the Government a combined total of \$18 million (2018 - \$19 million) for Health and Post-Secondary Education Tax Levy.

These amounts received by the Government are included in the Statement of Revenue and Expense under the fees and other revenue and other taxes categories.

13. EMPLOYEE FUTURE BENEFITS

	(\$ millions)	
	2019	2018
Severance	461	463
Long term disability income plan	39	44
Workers compensation claims	43	40
	543	547

The severance liability is valued using discount rates that range from 3.1% to 6.0% and salary increase rates that range from 0% to 3.75%. Unamortized actuarial gains and losses are amortized over EARSLS. Periods range from 6 to 15 years. As of March 31, 2019, net unamortized losses were \$16 million.

The long term disability income plan is valued using a discount rate of 3.60%. Actuarial gains and losses are recognized as income as they occur. Workers compensation claims are recognized based on an actuarial valuation prepared for the Workers Compensation Board. The December 31, 2018 valuation was prepared using a discount rate of 5.75% and a salary increase rate of 3.25%. Actuarial gains and losses are recognized as income as they occur.

14. EXPENSES IN EXCESS OF LEGISLATIVE AUTHORITY

The budget estimates presented on the Consolidated Statement of Revenue and Expense, excludes \$38 million in special warrants related to the Core Government. The original budget estimate amounts plus the \$38 million in special warrants become the revised estimates, against which expenses in excess of legislative authority are determined. Based upon the revised estimates, the following departments were over-expended as a result of adjustments made after March 31, 2019:

Part A – Operating Expense:

	(\$ millions)
Sport, Culture and Heritage	26

15. LIABILITY FOR CONTAMINATED SITES

	(\$ millions)	
	2019	2018
Liability for contaminated sites	271	281

As of March 31, 2019 the Province has identified 402 sites which require or likely require remediation from contamination. The liability includes sites associated with mining activities, mineral exploration, highway maintenance, airports, marines, landfills, sewage treatment facilities, commercial and industrial operations, parks and other protected areas.

The nature of contamination includes petroleum hydrocarbons, polyaromatic hydrocarbons, BTEX (benzene, toluene, ethylbenzene and xylenes), toxic heavy metals, polychlorinated biphenyl (PCBs) and other organic contaminants. The sources of contamination include above ground and underground fuel storage tanks, fuel handling, pipelines, chemical storage, by-product waste, metal based paint, and the leaching of materials deposited in landfills. Sites often have multiple sources of contamination.

Remediation at 2 sites requires the operation of water treatment plants for the next 24 years. Expenditures of \$57 million for the future operation of the water treatment plants have been discounted at 3.8% over the next 24 years. The assumed rate of inflation is 1.6%.

Manitoba Hydro will incur future costs associated with the assessment and remediation of contaminated lands and facilities for the phase-out and destruction of polychlorinated biphenyl contaminated mineral oil from electrical equipment. A reasonable estimate of the associated costs, not already recognized as asset retirement obligations, cannot be made at this time. No provision has been included for these items as of March 31, 2019.

16. RELATED PARTY DISCLOSURES

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control. For the summary financial statements related party transactions do not include transactions and balances eliminated on consolidation and those with entities accounted for under the modified equity method. Related parties do not include restructuring transactions, disclosure of key management personnel compensation arrangements, expense allowances, and other similar payments routinely paid in exchange for services rendered.

Related party transactions are disclosed if they occurred at a value different from that which would have been arrived if the parties were unrelated and the transaction has a material effect on the summary financial statements.

For the year ended March 31, 2019, there were no material related party transactions or balances to disclose.

17. TRANSFERS TO THE WINNIPEG FOUNDATION

During the fiscal year the Province transferred and deposited in various trust accounts \$171 million to The Winnipeg Foundation (TWF). TWF is a registered charity and is classified as a public foundation for the purposes of the Income Tax Act (Canada).

The funds transferred to the trust are irrevocable. The trust funds are administered and invested by TWF for the purpose of generating revenue for the purposes of the specified objectives in the trust agreements. The trusts are not controlled by the Province and therefore are not consolidated as part of the GRE.

The transfers have been expensed in the following ministries and the balances at March 31, 2019 are as follows:

	\$(millions)
Sport, Culture and Heritage – Heritage Resources Fund	15
Sport, Culture and Heritage – Military Memorials Conservation Fund	2
Sustainable Development – GROW	52
Enabling Appropriations – Conservation Trust Fund	102
	171

18. CONTRACTUAL RIGHTS

The Government is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future. The total amounts outstanding from these agreements at March 31, 2019 are as follows:

(\$ millions)	2020	2021	2022	2023	2024	2025 and thereafter	Total
Federal transfers - Capital	62	5	7	6	1	-	81
Federal transfers - Operating	60	63	72	9	1	4	209
Lease and rental agreements	119	117	116	116	115	142	725
Other - Capital	11	-	-	-	-	-	11
Other	12	14	14	14	14	358	426
Total	264	199	209	145	131	504	1,452

Under section 22(4) of The Manitoba Liquor and Lotteries Corporation Act, the Province is entitled to receive the net revenue from the Manitoba Liquor And Lotteries Corporation. The future amounts to be received are unknown; therefore, they have not been included in the table above. These contractual rights could be significant.

The contractual rights for water power rentals included in Lease and rental agreements, has been estimated using the current year's revenue for the next 6 years. This contract has no expiration date and amounts beyond 2025 may be significant. Contractual rights amount relating to Provincial Park land leases with cottagers included in Lease and rental agreements have been calculated based on the current year revenue for the next 6 years. These lease agreements have various expiration dates, however, the amounts beyond 2025 are not included and these future amounts could be significant.

The Province is also entitled to receive investment revenue from various investments held in irrevocable trusts by The Winnipeg Foundation. The amount of revenue to be received from The Winnipeg Foundation is unknown and is dependent on the rate of return earned on the investments.

Manitoba Hydro has dependable export sales contracts to U.S. and Canada totaling approximately \$9.6 billion expiring in 2052. Dependable sales are export contracts sourced from Manitoba Hydro's hydraulic energy available during lowest water conditions.

19. ADJUSTMENTS TO ACCUMULATED DEFICIT

A. Change in Government Reporting Entity (*for the Métis and First Nations authorities*)

An adjustment was made to the opening accumulated deficit for the year ended March 31, 2018 to account for the removal of the First Nations of Northern Manitoba Child and Family Services Authority, Southern First Nations Network of Care, and the Métis Child and Family Services Authority from the Government Reporting Entity. The error was identified through a re-examination of whether the Province controls these three authorities in accordance with Public Sector Accounting Standards. It was determined that there was insufficient evidence to indicate that the Province controlled these entities.

The correction has resulted in an increase of \$5 million in the opening accumulated deficit at April 1, 2017 and a \$3 million increase in the April 1, 2018 balance. The correction also increased the net debt by \$3 million at April 1, 2017 and \$1 million at April 1, 2018, and decreased tangible capital assets by \$2 million at April 1, 2017 and \$2 million at April 1, 2018. There was \$1 million decrease to the expenses for the year ended March 31, 2018. No operating results for the three authorities were included in the revenue and expenses for year ended March 31, 2019.

19. ADJUSTMENTS TO ACCUMULATED DEFICIT (Continued)

B. Adjustments Due to Errors – Amounts Receivable

In 2019, it came to the Government's attention that certain government organizations using Canadian public sector accounting standards with the 4200 series had been incorrectly netting accounts receivables for capital projects against their deferred capital contribution balances in their 2018 and prior year's audited financial statements. The Government was required to make correcting adjustments in 2019. The correction increased amounts receivable by \$30 million for the March 31, 2017 ending balance and decreased the opening accumulated deficit and net debt by \$30 million. There was no impact on revenue or expenses during the year ending March 31, 2018.

C. Adjustments Due to Errors – 3rd Party Debt

In 2019 Government transferred the majority of the 3rd party financed loans for the Health, Seniors and Active Living reporting entities to be financed through Government's Treasury Division. During this transition, it came to Government's attention that there was an error relating to the 3rd party debt consolidation transaction. The correction of this error resulted in a \$7 million decrease in the opening accumulated deficit for the year ended March 31, 2018 (2017 - \$7 million).

D. Adjustments Due to Errors – Recognize Property Lease as a Capital Lease

In 2019, the Province recognized an operating lease as a capital lease. The correction has resulted in a \$1 million increase in the April 1, 2018 accumulated deficit balance. The lease obligation has been included in Schedule 5 - Accrued Charges: Other; and it has increased it by \$16 million effective April 1, 2018 (April 1, 2017 - \$16 million). The correction also increased the net debt by \$16 million at April 1, 2017 and \$16 million at April 1, 2018, and increased tangible capital assets by \$15 million at April 1, 2017 and \$15 million at April 1, 2018.

20. COMPARATIVE FIGURES

A reclassification was made to the expenses presented for the year ended March 31, 2018. Inter-entity transactions for such services as vehicles and office supplies have been reclassified to follow PS 2500. The revenue from inter-entity transactions was previously being eliminated against the expenses of the ministry using the services. Proper elimination, in accordance with PSAS, would have required the ministry providing the services to eliminate the inter-entity revenues against their own expenses. For the year ended March 31, 2018, the expenses for Finance would have decreased by \$114 million, while the expenses for the following ministries would have changed by:

	\$(millions)
Agriculture	(2)
Education and Training	7
Families	9
Growth, Enterprise and Trade	2
Health, Seniors and Active Living	21
Infrastructure	61
Justice	9
Municipal Relations	1
Sustainable Development	6
	<u>114</u>

On March 7, 2019, the Province released Budget 2019 which presented the expenses by ministry. Budget 2018 originally presented the expenses for the year ended March 31, 2019 by operating sector. The Province decided to present the actual expenses for the year ended March 31, 2019 on a basis consistent with Budget 2019.

SCHEDULE 1

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF AMOUNTS RECEIVABLE
 As at March 31, 2019

	(\$ millions)	
	2019	2018 Restated
TAXATION:		
Income taxes.....	237	224
Retail sales tax.....	267	255
Other taxes.....	143	123
	<u>647</u>	<u>602</u>
GOVERNMENT OF CANADA AND OTHER GOVERNMENTS:		
Government of Canada shared cost programs/agreements.....	675	656
Other.....	400	401
	<u>1,075</u>	<u>1,057</u>
OTHER:		
Health and social services.....	185	187
Government business enterprises.....	21	20
Sundry departmental revenue.....	101	101
Other.....	178	204
	<u>485</u>	<u>512</u>
	2,207	2,171
Less: Allowances.....	<u>339</u>	<u>321</u>
Total Amounts Receivable.....	<u><u>1,868</u></u>	<u><u>1,850</u></u>

SCHEDULE 2

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF LOANS AND ADVANCES
 As at March 31, 2019

	(\$ millions)	
	2019	2018
GOVERNMENT BUSINESS ENTERPRISES:		
Manitoba Hydro-Electric Board.....	21,501	19,109
Manitoba Liquor and Lotteries Corporation.....	400	396
	<u>21,901</u>	<u>19,505</u>
Less: Debt incurred for and repayable by the Manitoba Hydro-Electric Board.....	<u>21,501</u>	<u>19,109</u>
	<u>400</u>	<u>396</u>
OTHER:		
Loans and mortgages - Note a.....	1,040	951
Stadium loan - Note b.....	137	139
Manitoba student loans - Note c.....	150	124
Family services agencies - Note d.....	29	32
Other.....	3	2
	<u>1,359</u>	<u>1,248</u>
TOTAL LOANS AND ADVANCES	<u>1,759</u>	<u>1,644</u>
Less: Valuation allowance.....	<u>230</u>	<u>233</u>
NET LOANS AND ADVANCES	<u><u>1,529</u></u>	<u><u>1,411</u></u>

The government business enterprises loans and advances portfolio is due in varying annual amounts to the year 2068, bearing interest at either:

- i) fixed with rates ranging from 1.55% to 10.50%; or
- ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 1.82% and the highest set at 2.51% as at March 31, 2019.

Note a

i) Agricultural direct lending and special assistance program mortgages, due in varying annual amounts to the year 2045, bearing interest at rates ranging from 2.75% to 9.00%.	867	759
ii) Housing direct lending and special assistance program mortgages, due in varying annual amounts to the year 2053, bearing interest at rates ranging from 0% to 13.50%.	88	96
iii) Business development assistance loans, due in varying annual amounts to the year 2040, bearing interest at rates ranging from 0% to 5.88%.	58	66
iv) Northern business development and fishing industry assistance loans, due in varying annual amounts to the year 2031, bearing interest at rates ranging from 4.16% to 8.77%.	27	30
	<u>1,040</u>	<u>951</u>

Note b Stadium loan to Triple B Stadium Inc., bearing interest at 4.65%; and issued in two phases, with Phase 1 due in varying annual amounts to 2038 and Phase 2 due in annual payments of principal and interest to 2058.

Note c Student loans, interest-free and not repayable until 6 months past the completion of studies, due 114 to 174 months after that time.

Note d Advances to provide family services agencies with prepayment of fee for service charges, to be repaid when no longer required, bearing no interest.

**SUMMARY FINANCIAL STATEMENTS
GOVERNMENT BUSINESS ENTERPRISES**

SCHEDULE 3

SCHEDULE OF CONSOLIDATED OPERATING RESULTS AND FINANCIAL POSITION

For the Year Ended March 31, 2019

	(\$ millions)			TOTAL	TOTAL
CHANGES IN EQUITY	UTILITY	INSURANCE	FINANCE	2019	2018
Results from Operations:					
Revenues from operations.....	2,607	1,616	1,505	5,728	5,250
Expenses: From operations.....	1,708	1,434	878	4,020	3,839
Debt servicing.....	778	-	11	789	653
Total expenses.....	2,486	1,434	889	4,809	4,492
Net income (loss).....	121	182	616	919	758
Other comprehensive income (loss).....	(93)	(132)	-	(225)	(14)
Total comprehensive income.....	28	50	616	694	744
Transfers to the Government.....	-	-	(616)	(616)	(610)
Net increase in equity in government business enterprises.....	<u>28</u>	<u>50</u>	<u>-</u>	<u>78</u>	<u>134</u>
FINANCIAL POSITION					
Assets:					
Cash and temporary investments.....	900	195	46	1,141	774
Amounts receivable.....	438	502	53	993	963
Portfolio investments: Due from Government and government organizations.....	-	675	-	675	719
Due from others.....	-	2,533	-	2,533	2,282
Capital assets.....	23,627	115	385	24,127	22,480
Other assets.....	2,466	104	67	2,637	2,282
Total assets.....	<u>27,431</u>	<u>4,124</u>	<u>551</u>	<u>32,106</u>	<u>29,500</u>
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue.....	2,613	866	146	3,625	3,797
Long-term debt: Owing to Government.....	21,501	-	400	21,901	19,505
Other borrowings, discounts and deferred transaction costs.....	51	4	-	55	95
Net pension obligations (assets).....	751	400	-	1,151	1,013
Future cost of existing claims.....	-	2,085	-	2,085	1,913
Total liabilities.....	<u>24,916</u>	<u>3,355</u>	<u>546</u>	<u>28,817</u>	<u>26,323</u>
Equity:					
Non-controlling interests.....	254	-	-	254	205
Equity in government business enterprises.....	2,261	769	5	3,035	2,972
Total equity.....	<u>2,515</u>	<u>769</u>	<u>5</u>	<u>3,289</u>	<u>3,177</u>
Total liabilities and equity.....	<u>27,431</u>	<u>4,124</u>	<u>551</u>	<u>32,106</u>	<u>29,500</u>
EQUITY COMPRISED OF:					
Retained earnings.....	3,042	855	5	3,902	3,600
Accumulated other comprehensive income (loss).....	(781)	(86)	-	(867)	(628)
Equity in government business enterprises.....	<u>2,261</u>	<u>769</u>	<u>5</u>	<u>3,035</u>	<u>2,972</u>

Note: For government business enterprises whose fiscal year end is prior to March 31, the amounts reflected are as at their fiscal year end.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF BORROWINGS

SCHEDULE 4

As at March 31, 2019

(\$ millions)

Fiscal Year of Maturity	Bonds and Debentures		Canada	Loans and	Promissory Notes	Totals	
	Cdn	US	Pension Plan Cdn	Mortgages Cdn	and Treasury Bills Cdn	2019	2018
2019.....	-	-	-	-	-	-	4,351
2020.....	2,361	875	15	20	1,950	5,221	3,042
2021.....	3,526	200	-	2	-	3,728	3,521
2022.....	2,480	401	-	-	-	2,881	2,867
2023.....	2,726	-	-	-	-	2,726	2,169
2024.....	2,348	-	-	-	-	2,348	1,098
2019-2024.....	<u>13,441</u>	<u>1,476</u>	<u>15</u>	<u>22</u>	<u>1,950</u>	<u>16,904</u>	<u>17,048</u>
2025-2029.....	11,725	-	-	-	-	11,725	9,217
2030-2039.....	5,113	-	81	-	-	5,194	4,622
2040-2069.....	16,054	-	396	-	-	16,450	14,815
2025-2069.....	<u>32,892</u>	<u>-</u>	<u>477</u>	<u>-</u>	<u>-</u>	<u>33,369</u>	<u>28,654</u>
2020-2057 Government Organizations.....	542	-	-	273	-	815	873
Lines of Credit.....	-	-	-	-	-	-	397
Total borrowings.....	<u>46,875</u>	<u>1,476</u>	<u>492</u>	<u>295</u>	<u>1,950</u>	<u>51,088</u>	<u>46,972</u>

Reduced by:

Debt incurred for and repayable by the Manitoba

Hydro-Electric Board.....	(21,501)	(19,109)
Unamortized debt issue costs.....	(282)	(274)
Unamortized foreign currency fluctuation.....	(4)	(10)
Unamortized gains and losses on derivative contracts....	255	266
Province of Manitoba debt issues held as investments in sinking funds and cash and cash equivalents.....	(390)	(495)
	<u>29,166</u>	<u>27,350</u>

	March 31/19 Cdn \$ Valuation (See Notes)	March 31/18 Cdn \$ Valuation (See Notes)
Borrowings payable in:		
Canadian dollars	37,292	33,759
Foreign issues hedged to Canadian dollars	12,319	11,788
U.S. dollars	401	780
Issues hedged to U.S. dollars	1,076	645
Total borrowings	<u>51,088</u>	<u>46,972</u>

Note a: The hedges are derivative contracts which include swaps and forward foreign exchange contracts.

Note b: The Canadian dollar valuation is calculated using the foreign currency exchange rates in effect at each March 31 adjusted for any forward foreign exchange contracts entered into for settlement after year-end.

Note c: Interest rates on these borrowings fall into one of two categories:

i) Fixed with rates ranging from 0.79% to 10.68%.

ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 1.82% and the highest set at 3.67% as at March 31, 2019.

SCHEDULE 5

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCOUNTS PAYABLE,
ACCRUED CHARGES, PROVISIONS AND UNEARNED REVENUE
 As at March 31, 2019

	(\$ millions)	
	2019	2018
		Restated
ACCOUNTS PAYABLE	<u>1,440</u>	<u>1,658</u>
ACCRUED CHARGES:		
Interest.....	208	189
Disaster financial assistance.....	91	145
Liability for contaminated sites (Note 15).....	271	281
Salaries and benefits.....	904	877
Employee future benefits (Note 13).....	543	547
Other.....	<u>191</u>	<u>168</u>
	<u>2,208</u>	<u>2,207</u>
PROVISION FOR FUTURE LOSSES (Note 7)	<u>17</u>	<u>17</u>
UNEARNED REVENUE	<u>451</u>	<u>462</u>
Total Accounts Payable, Accrued Charges, Provisions and Unearned Revenue	<u><u>4,116</u></u>	<u><u>4,344</u></u>

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PENSION LIABILITY
As at March 31, 2019

SCHEDULE 6

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post- Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	(\$ millions)	
						Total 2019	Total 2018
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year.....	3,095	4,074	1,563	546	143	9,421	9,064
Current service costs.....	87	108	66	21	5	287	277
Interest cost on benefit obligation.....	182	241	85	31	7	546	536
Change in actuarial (gains) losses and reserves.....	79	58	(52)	(3)	2	84	75
Plan amendment.....	-	-	-	-	-	-	1
Benefits paid.....	(191)	(210)	(120)	(28)	(9)	(558)	(534)
Obligation at end of year.....	<u>3,252</u>	<u>4,271</u>	<u>1,542</u>	<u>567</u>	<u>148</u>	<u>9,780</u>	<u>9,419</u>
PLAN ASSETS							
Plan assets at beginning of year.....	2,310	2,448	1,554	547	58	6,917	6,586
Employer contributions.....	96	120	39	14	6	275	273
Employee contributions.....	-	-	30	11	1	42	41
Transfer of plan assets.....	-	-	1	-	-	1	3
Plan asset contributions.....	-	-	-	-	-	-	-
Benefits paid.....	(191)	(210)	(120)	(28)	(9)	(558)	(534)
Expected return on plan assets.....	130	140	78	30	3	381	371
Experience gains (losses).....	(124)	18	(98)	7	2	(195)	178
Market value of plan assets.....	<u>2,221</u>	<u>2,516</u>	<u>1,484</u>	<u>581</u>	<u>61</u>	<u>6,863</u>	<u>6,918</u>
Deferred investment losses (gains).....	39	(52)	3	(7)	(2)	(19)	(272)
Market related value of plan assets.....	<u>2,260</u>	<u>2,464</u>	<u>1,487</u>	<u>574</u>	<u>59</u>	<u>6,844</u>	<u>6,646</u>
PENSION LIABILITY							
Plan deficit (surplus).....	992	1,807	55	(8)	89	2,935	2,773
Unamortized actuarial gains (losses).....	(34)	(34)	45	(16)	(8)	(47)	(66)
Surplus adjustments (Note B).....	-	-	-	17	9	26	19
Pension liability.....	<u>958</u>	<u>1,773</u>	<u>100</u>	<u>(7)</u>	<u>90</u>	<u>2,914</u>	<u>2,726</u>
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost.....	87	108	66	21	5	287	277
Interest cost on benefit obligation.....	182	241	85	31	7	546	536
Return on plan assets.....	(130)	(140)	(78)	(29)	(3)	(380)	(371)
Employee contributions.....	-	-	(31)	(11)	(1)	(43)	(44)
Amortization of actuarial (gains) losses.....	2	20	20	3	1	46	40
Plan amendment.....	-	-	-	-	-	-	1
Change in surplus adjustments.....	-	-	-	4	2	6	3
Defined benefit pension plan expense.....	<u>141</u>	<u>229</u>	<u>62</u>	<u>19</u>	<u>11</u>	<u>462</u>	<u>442</u>
Defined contribution pension plan expense.....	<u>-</u>	<u>-</u>	<u>5</u>	<u>22</u>	<u>188</u>	<u>215</u>	<u>211</u>

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PENSION LIABILITY
As at March 31, 2019

SCHEDULE 6
(cont'd)

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post- Secondary Education Plans	Public School Division Plans	Other Plans	Total 2019	Total 2018
MEMBER DATA							
Defined benefit pension plan							
Number of active and deferred members.....	21,700	23,400	6,300	4,500	200	56,100	56,400
Number of pensioners.....	16,300	15,300	2,000	2,100	300	36,000	34,900
Total number of plan members.....	<u>38,000</u>	<u>38,700</u>	<u>8,300</u>	<u>6,600</u>	<u>500</u>	<u>92,100</u>	<u>91,300</u>
ACTUARIAL ASSUMPTIONS							
Discount rate on accrued benefits.....	6.00%	6.00%	5.50% - 5.90%	5.00% - 5.75%	3.80% - 5.50%		
Expected long-term rate of return.....	6.00%	6.00%	5.50% - 5.90%	4.75% - 5.75%	3.80% - 5.50%		
Inflation.....	2.00%	2.00%	2.00% - 2.50%	0.00% - 2.50%	2.00% - 2.00%		
Real rate of return.....	4.00%	4.00%	3.00% - 3.90%	3.00% - 5.50%	1.80% - 3.50%		
Rate of salary increase.....	3.75%	2.50%	0.75% - 3.00%	3.00% - 4.50%	0.00% - 3.75%		
Latest valuation.....	(Note C)	(Note C)	(Note C)	(Note C)	(Note C)		

Note A: Post-Secondary Education plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan.

Public School Division plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division, Retirement Plan for Employees of Frontier School Division and The School District of Mystery Lake No. 2355 Pension Plan.

Other plans include the Members of Legislative Assembly Pension Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan, and the Winnipeg Child and Family Services Employee Benefits Retirement Plan.

Note B: For those plans that the Government is unable to access surplus funds within the plan, adjustments are made to record an allowance against these surplus amounts. These pension surplus allowances represent the excess of the adjusted benefit asset over the employers' share of the expected future benefit.

Note C: The latest actuarial valuation report dates and the estimated average remaining service life (EARSL), in years, are as follows:

	<u>Valuation Date</u>	<u>EARSL</u>
- Civil Service Superannuation Plan.....	Dec-17	14.0
- Teachers' Retirement Allowance Plan.....	Jan-18	12.0
- University of Manitoba Pension Plans.....	Dec-17	9.0
- University of Winnipeg Pension Plan.....	Dec-17	6.3
- Brandon University Retirement Plan.....	Jan-18	8.6
- Winnipeg School Division Pension Fund for Employees Other than Teachers.....	Dec-18	11.3
- Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division.....	Dec-17	14.0
- Retirement Plan for Employees of Frontier School Division.....	Dec-17	13.4
- School District of Mystery Lake.....	Jun-18	16.7
- Members of Legislative Assembly Pension Plan.....	Mar-18	0.0
- Legislative Assembly Pension Plan.....	Dec-17	8.0
- Judges' Supplemental Pension Plan.....	Mar-17	10.0
- Winnipeg Child and Family Services Employee Benefits Retirement Plan.....	Dec-17	1.0

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

SCHEDULE 7

For the Year Ended March 31, 2019
(\$ millions)

	General Capital Assets					Infrastructure				Totals	
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Land and Improvements	Transportation	Dams and Water Management Structures	Assets Under Construction Note c	2019	2018 Restated
Cost											
Opening cost.....	297	9,452	3,146	1,079	1,426	537	6,344	748	333	23,362	22,349
Restatements - Note a		15	(1)	(5)	-					9	9
Adjusted Opening Balance	297	9,467	3,145	1,074	1,426	537	6,344	748	333	23,371	22,358
Add:											
Additions during the year.....	12	251	113	16	223	15	290	1	98	1,019	1,123
Less:											
Disposals and write downs - Note b .	(3)	(43)	(324)	(17)	(9)	(7)	-	-	(3)	(406)	(110)
Settlements and reclassifications.....	-	512	35	142	(684)	(3)	278	2	(282)	-	-
Closing cost.....	306	10,187	2,969	1,215	956	542	6,912	751	146	23,984	23,371
Accumulated amortization											
Opening accumulated amortization.....	-	3,972	2,316	800	-	90	2,457	129	-	9,764	9,114
Restatements - Note a		1	(1)	(4)						(4)	(4)
Adjusted Opening Balance	-	3,973	2,315	796	-	90	2,457	129	-	9,760	9,110
Add:											
Amortization.....	-	270	163	66	-	7	216	12	-	734	713
Less:											
Accumulated amortization on disposals and write downs - Note b..	-	(30)	(320)	(15)	-	(2)	-	-	-	(367)	(63)
Closing accumulated amortization.....	-	4,213	2,158	847	-	95	2,673	141	-	10,127	9,760
Net Book Value of Tangible Capital Assets.....	306	5,974	811	368	956	447	4,239	610	146	13,857	13,611

Note a - Restatements include the following:

- Removal of the First Nations of Northern Manitoba Child and Family Services Authority, the Southern First Nations Network of Care, and the Métis Child and Family Services Authority from the Government Reporting Entity (Cost - (\$8) and Accumulated amortization - (\$6).
- Correction to recognize an operating lease as a capital lease (Cost - \$17 and Accumulated amortization - \$2).

Note b - Disposals include an amount of (\$259) related to the WRHA.

Note c - During the year, the Province capitalized \$13 million of interest relating to assets under construction (2018 - \$13 million).

**GOVERNMENT ORGANIZATIONS, COMPONENTS AND BUSINESS ENTERPRISES
COMPRISING THE GOVERNMENT REPORTING ENTITY**

HEALTH

Manitoba Health, Seniors and Active Living
 Addictions Foundation of Manitoba
 CancerCare Manitoba
 Manitoba Health Services Insurance Plan
 Manitoba Hospital Capital Financing Authority - Note a
 Not-for-Profit Personal Care Homes and Community Health Agencies
 Regional Health Authorities (including controlled organizations)
 Interlake-Eastern Regional Health Authority
 Northern Regional Health Authority Inc.
 Prairie Mountain Health
 Southern Health-Santé Sud
 Winnipeg Regional Health Authority
 Rehabilitation Centre for Children, Inc.
 St.Amant Inc.
 Shared Health Inc.

EDUCATION

Manitoba Education and Training
 Assiniboine Community College
 Brandon University
 Helen Betty Osborne Memorial Foundation
 Manitoba Learning Resource Centre
 Public School Divisions
 Public Schools Finance Board
 Red River College
 Université de Saint-Boniface
 University College of The North
 University of Manitoba
 University of Winnipeg

FAMILIES

Manitoba Families
 General Child and Family Services Authority
 Manitoba Housing and Renewal Corporation

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT

Manitoba Indigenous and Northern Relations
 Manitoba Agriculture
 Farm Machinery and Equipment Act Fund
 Food Development Centre
 Manitoba Agricultural Services Corporation
 Veterinary Science Scholarship Fund

**SCHEDULE 8
(cont'd)**

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT, cont'd

Manitoba Growth, Enterprise and Trade
 Abandonment Reserve Fund
 Communities Economic Development Fund
 Co-operative Loans and Loans Guarantee Board
 Cooperative Promotion Board - Note a
 Economic Development Winnipeg Inc. - Note b
 Entrepreneurship Manitoba
 Industrial Technology Centre
 Manitoba Development Corporation
 Manitoba Opportunities Fund Ltd.
 Manitoba Potash Corporation
 Mining Community Reserve
 Mining Rehabilitation Reserve Fund
 Office of the Fire Commissioner
 Quarry Rehabilitation Reserve Fund
 Research Manitoba
 Travel Manitoba
 Workplace and Safety and Health Public Education Fund

Manitoba Infrastructure
 Crown Lands and Property Agency - Note a
 Manitoba Trucking Productivity Improvement Fund

Manitoba Sustainable Development
 Fish and Wildlife Enhancement Fund
 Manitoba Habitat Heritage Corporation
 Manitoba Hazardous Waste Management Corporation
 Pineland Forest Nursery - Note a
 Waste Reduction and Recycling Support Fund

Municipal Relations
 Community Revitalization Fund
 Manitoba Community Services Council Inc. - Note a
 Manitoba Water Services Board
 North Portage Development Corporation - Note c

JUSTICE AND OTHER EXPENDITURES

Legislative Assembly
 Executive Council
 Civil Service Commission
 Employee Pensions and Other Costs
 Manitoba Finance
 Efficiency Manitoba
 Insurance Council of Manitoba
 Leaf Rapids Town Properties Ltd.
 Manitoba Centennial Centre Corporation
 Manitoba Education, Research and Learning Information Networks (MERLIN)

**SCHEDULE 8
(cont'd)**

JUSTICE AND OTHER EXPENDITURES, cont'd

Manitoba Financial Services Agency
 Materials Distribution Agency
 Pension Assets Fund
 Special Operating Agencies Financing Authority
 Vehicle and Equipment Management Agency
 Manitoba Justice
 Financial Literacy Fund
 Funeral Board of Manitoba
 Land Titles Assurance Fund
 Legal Aid Manitoba
 Liquor, Gaming and Cannabis Authority of Manitoba
 Manitoba Horse Racing Commission
 Manitoba Law Reform Commission
 The Public Guardian and Trustee of Manitoba
 Victims Assistance Fund
 Vital Statistics Agency
 Manitoba Sport, Culture and Heritage
 Le Centre culturel franco-manitobain
 Manitoba Arts Council
 Manitoba Combative Sports Commission
 Manitoba Film & Sound Recording Development Corporation
 Sport Manitoba Inc.

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3)

Utility:
 Manitoba Hydro-Electric Board
Insurance:
 Deposit Guarantee Corporation of Manitoba
 Manitoba Public Insurance Corporation
Finance:
 Manitoba Liquor and Lotteries Corporation

SPECIAL ACCOUNTS, not attached to a Sector or Department

Rainy Day Fund - Note d

Notes:

- a. This reporting entity has been dissolved in the current fiscal year ending March 31, 2019. Therefore, effective April 1, 2019, it will not be part of the Government Reporting Entity.
- b. Economic Development Winnipeg Inc. is a government partnership.
- c. North Portage Development Corporation is a government business partnership.
- d. Fiscal Stabilization Account

**SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR**

SCHEDULE 9

For the Year Ended March 31, 2019

(\$ millions)

	Health		Education		Families		Community, Economic and Resource Development	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	Restated \$	\$	Restated \$	\$	Restated \$	\$	Restated \$
REVENUE								
Income taxes.....	-	-	-	-	-	-	-	-
Other taxes.....	-	-	892	868	-	-	-	-
Fees and other revenue.....	524	529	750	746	218	219	639	658
Federal transfers.....	1,460	1,382	233	249	96	82	100	125
Contributions from entities within the Government Reporting Entity.....	79	76	62	72	-	-	-	-
Sinking funds and other investment earnings.....	8	2	25	31	2	1	16	15
TOTAL REVENUE	<u>2,071</u>	<u>1,989</u>	<u>1,962</u>	<u>1,966</u>	<u>316</u>	<u>302</u>	<u>755</u>	<u>798</u>
EXPENSE								
Personnel services.....	3,672	3,666	3,165	3,114	226	231	347	341
Grants/Transfer payments.....	1,532	1,526	190	184	332	374	520	532
Transportation.....	75	67	35	35	4	4	22	22
Communication.....	14	16	26	25	4	5	18	19
Supplies and services.....	861	830	477	447	167	187	130	154
Social assistance related.....	-	-	83	82	1,408	1,369	362	334
Other operating.....	239	201	200	274	34	29	130	95
Debt servicing.....	57	52	164	164	46	46	243	235
Minor capital.....	18	14	72	76	-	1	3	17
Amortization.....	195	192	175	172	51	49	238	231
TOTAL EXPENSE	<u>6,663</u>	<u>6,564</u>	<u>4,587</u>	<u>4,573</u>	<u>2,272</u>	<u>2,295</u>	<u>2,013</u>	<u>1,980</u>
NET INCOME (LOSS) FOR THE YEAR	<u>(4,592)</u>	<u>(4,575)</u>	<u>(2,625)</u>	<u>(2,607)</u>	<u>(1,956)</u>	<u>(1,993)</u>	<u>(1,258)</u>	<u>(1,182)</u>

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR
For the Year Ended March 31, 2019
(\$ millions)

SCHEDULE 9
(cont'd)

	Justice and Other Expenditures		General Government (Note a)		Adjustments (Note b)		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
	\$	Restated \$	\$	Restated \$	\$	Restated \$	\$	Restated \$
REVENUE								
Income taxes.....	-	-	4,234	3,985	-	-	4,234	3,985
Other taxes.....	-	-	3,839	3,761	(46)	(41)	4,685	4,588
Fees and other revenue.....	201	219	2	4	(16)	(11)	2,318	2,364
Federal transfers.....	22	19	2,610	2,342	-	1	4,521	4,200
Contributions from entities within the Government Reporting Entity.....	(4)	-	938	791	(156)	(181)	919	758
Sinking funds and other investment earnings.....	247	208	-	-	-	-	298	257
TOTAL REVENUE	466	446	11,623	10,883	(218)	(232)	16,975	16,152
EXPENSE								
Personnel services.....	577	630	11	10	66	65	8,064	8,057
Grants/Transfer payments.....	85	65	106	31	(275)	(294)	2,490	2,418
Transportation.....	14	14	18	13	-	-	168	155
Communication.....	10	9	-	1	-	-	72	75
Supplies and services.....	262	199	18	22	28	32	1,943	1,871
Social assistance related.....	2	-	-	-	-	-	1,855	1,785
Other operating.....	113	109	31	28	(36)	(32)	711	704
Debt servicing.....	479	456	12	-	(1)	(1)	1,000	952
Minor capital.....	6	7	2	1	-	-	101	116
Amortization.....	65	67	10	4	-	(2)	734	713
TOTAL EXPENSE	1,613	1,556	208	110	(218)	(232)	17,138	16,846
NET INCOME (LOSS) FOR THE YEAR	(1,147)	(1,110)	11,415	10,773	-	-	(163)	(694)

Note a: The general government category includes revenue from sources that cannot be attributed to a particular sector. It also includes federal revenues and expenses related to emergency services and disaster assistance.

Note b: Consolidation adjustments are necessary to conform sectors to Government accounting policies and to eliminate transactions between sectors.

SUMMARY FINANCIAL STATEMENTS
RESTATED BUDGET
For the Year Ended March 31, 2019
(\$ millions)

	Adjustments					Restated
	Print	Note a	Note b	Note c	Note d	
REVENUE						
All Other Revenue.....	14,846					14,846
Canada Health Transfers.....	1,441				(31)	1,410
Shared cost and other transfers.....	500				31	531
Total Revenue	16,787	-	-	-	-	16,787
EXPENSES						
Legislative Assembly.....	49			1		50
Executive Council.....	4	1				5
Agriculture.....	370	1	(2)	2		371
Civil Service Commission.....	21					21
Education and Training.....	4,453	9	7	4		4,473
Employee Pensions and Other Costs.....	81			(81)		-
Families.....	2,144	4	9	11		2,168
Finance.....	351	7	(114)	2		246
Growth, Enterprise and Trade.....	107	13	2	2		124
Health, Seniors and Active Living.....	6,751	1	21	14		6,787
Indigenous and Northern Relations.....	34					34
Infrastructure.....	402	3	61	8		474
Justice.....	671	5	9	27		712
Municipal Relations.....	366		1	2		369
Sport, Culture and Heritage.....	87	23		2		112
Sustainable Development.....	162	64	6	6		238
Enabling Appropriations.....	284	(135)				149
Other Appropriations.....	52	4				56
Debt Servicing.....	1,034					1,034
Total Expenses	17,423	-	-	-	-	17,423
In - Year Adjustment/Lapse.....	(115)					(115)
NET LOSS FOR THE YEAR	(521)	-	-	-	-	(521)

Note a: In addition to core government ministries, separate "service headings" exist to provide expenditure authority for programs that are delivered by a number of ministries, where it is desirable to know the total amount allocated to the program, or where the allocation to various ministries is not known at the time of printing the budget. In some cases funding is allocated, as required, from Enabling Appropriations to ministries by the Minister of Finance under authority granted by section 33 of The Financial Administration Act. This restatement has no impact to net loss.

Note b: A reclassification was made to the expenses presented for the year ended March 31, 2018. As a result, the expenses in Budget 2018 have been reclassified and presented on a basis consistent with the expenses for the year ended March 31, 2019. Inter-entity transactions for such services as vehicles and office supplies have been reclassified to follow PS 2500. The revenue from inter-entity transactions was previously being eliminated against the expenses of the ministry using the services. Proper elimination, in accordance with PSAS, would have required the ministry providing the services, to eliminate the inter-entity revenues against their own expenses. This restatement has no impact to net loss.

Note c: On March 7, 2019 the Province released Budget 2019 which presented the expenses by ministry. The Province decided to present the actual expenses for the year ended March 31, 2019 on a basis consistent with Budget 2019. The budget under Employee Pensions and Other Costs reflects non-recoverable pension and other salary related benefit costs. Employee Pensions and Other Costs is not a true ministry as it does not provide government services. As a result, this expense budget has been allocated to ministries that incur personnel costs. This restatement has no impact to net loss.

Note d: Restatement to correct the budget classification for federal transfers associated with the Canada-Manitoba Home and Community Care and Mental Health Addictions Services Agreement. This restatement has no impact to net loss.

OTHER FINANCIAL REPORTS

FOR THE YEAR ENDED

March 31, 2019



Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

Opinion

I have audited the accompanying Fiscal Stabilization Account "Rainy Day Fund" Statement of Transfers and Account Balance of the Province of Manitoba ("the Province") for the year ended March 31, 2019 ("the statement").

In my opinion, the financial information in the Fiscal Stabilization Account "Rainy Day Fund" Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2019 is prepared, in all material respects, in accordance with Note 2 to the statement.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of my report. I am independent of the Province in accordance with the ethical requirements that are relevant to my audit of the statement in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist the Province to meet the requirements of Section 65(1)(b) of *The Financial Administration Act*. As a result, the statement may not be suitable for another purpose. My opinion is not modified in respect of this matter.

Unaudited Information

The Schedule of Supplementary Information has been presented as unaudited information. The financial information in this schedule is not covered by my report and accordingly, I do not express an opinion on the information.

Responsibilities of Management and Those Charged with Governance for the Statement

Management is responsible for the preparation of this statement in accordance with Note 2 to the statement and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Statement

My objectives are to obtain reasonable assurance about whether the statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 this financial information.

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

- Identify and assess the risks of material misstatement of the statement, 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 my 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 Province's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

I 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 I identify during my audit.

***"Original document signed
by Norm Ricard"***

Winnipeg, Manitoba
September 23, 2019

Norm Ricard, CPA, CA
Auditor General

RAINY DAY FUND*
STATEMENT OF TRANSFERS
AND ACCOUNT BALANCE
For the Year Ended March 31, 2019

	(\$ thousands)	
	2019	2018
Transfer from Core Government operations	407,000	50,000
Account Balance, beginning of year	<u>164,523</u>	<u>114,523</u>
Account Balance, end of year	<u><u>571,523</u></u>	<u><u>164,523</u></u>

* Refers to the Fiscal Stabilization Account established under The Fiscal Stabilization Fund Act

RAINY DAY FUND*
NOTES TO STATEMENT OF TRANSFERS
AND ACCOUNT BALANCE
For the Year Ended March 31, 2019

1. The Fiscal Stabilization Account is also known and commonly referred to as the Rainy Day Fund. The Fiscal Stabilization Account was established under the authority of subsection 26.1(1) of The Financial Administration Act. The Fiscal Stabilization Fund established under The Fiscal Stabilization Fund Act is continued as the Fiscal Stabilization Account. The legislated purpose of the Account is to assist in stabilizing the fiscal position by supporting core government operations in a fiscal year or to repay debt. Under subsection 26.1(3) the Minister of Finance, with the approval of the Lieutenant Governor in Council, may deposit in the Account any part of the revenue or other financial assets received in the core government in any fiscal year. Under subsection 26.1(4), the Minister of Finance may, with the approval of the Lieutenant Governor in Council, transfer all or part of the Account balance to the core government.

2. Transactions in the Fiscal Stabilization Account are accounted for on an accrual basis and reflect the transfers made under Section 26.1(3) and 26.1(4) of The Financial Administration Act. Transfers are determined by the Minister of Finance and are authorized with an Order in Council. The report on these transactions is made in accordance with Section 65(1)(b) of The Financial Administration Act.

3. Subsection 26.1(2) of The Financial Administration Act stipulates that the Minister of Finance shall make every effort to ensure that the balance of the Account at the end of each fiscal year is at least 5% of the core government expenditures for that year.

* Refers to the Fiscal Stabilization Account established under The Fiscal Stabilization Fund Act

RAINY DAY FUND*
SCHEDULE OF SUPPLEMENTARY INFORMATION
(Unaudited)
For the Year Ended March 31, 2019

	(\$ thousands)	
	2019	2018
Account Balance, beginning of year	164,523	114,523
- Transfer for general purpose debt reduction	-	-
- Transfer from Core Government - allocated to general purposes	50,000	50,000
- Transfer from Core Government - allocated to general purposes	<u>357,000</u>	<u>-</u>
Account Balance, end of year	<u><u>571,523</u></u>	<u><u>164,523</u></u>

* Refers to the Fiscal Stabilization Account established under The Fiscal Stabilization Fund Act