

**PROVINCE OF MANITOBA  
NOTES TO THE QUARTERLY FINANCIAL REPORT  
FOR THE THREE MONTHS - APRIL TO JUNE 1999**

This report presents the unaudited financial results of the Province of Manitoba for the first quarter of the 1999/2000 fiscal year. These financial statements incorporate the impact of the province's change in accounting policy respecting tangible capital assets and, as such, include amortization expense related to capital assets in the statements of operating expenditure. All assets acquired in the first quarter are reported in a new statement of Part B - Capital Investment in accordance with the new accounting policy as presented in the 1999/2000 Estimates of Expenditure.

The implementation of a new financial management information system on April 1, 1999 will facilitate further developments in accounting policies that are intended to make the information in these unaudited statements more comprehensive and current. These changes are described in more detail later in the document under the section, "Changes In Accounting Policy".

The comparative data provided for the 1998/99 fiscal year has been restated to reflect the organizational structure of departments established in the 1999/2000 Estimates as well as the impact of the change in accounting policy related to tangible capital assets.

FIRST QUARTER - ACTUAL TO ESTIMATE

The first quarter deficit of \$216.6 million was \$117.1 million less than the \$333.7 million projected. The estimate represents expenditure and revenue projections for the period and generally varies due to differences between the planned and actual flows of revenue and expenditure. The estimated expenditures for the first quarter were developed in order to meet requirements related to the interim special warrant and were based on the previous year's structure and flows. As such, the actual amounts were less than estimated requirements. Expenditures were \$122.4 million less than planned for the three month period and revenues were \$5.4 million less than projected.

FIRST QUARTER COMPARED TO PREVIOUS YEAR'S RESULTS

The first quarter deficit was \$47.5 million less than the same period last year. The decrease results from a \$132.1 million increase in revenue, primarily due to the receipt of the province's share of the Federal Health Supplement offset by a change in the timing of the debt retirement payment (as described in the following section) and a \$9.6 million increase in expenditure mainly due to higher overall expenditures as approved in the 1999/2000 Estimates.

DEBT RETIREMENT

As indicated in the 1999/2000 Budget, the legislated 1999/2000 transfer to the Debt Retirement Fund of \$75 million, combined with money already set aside in the Debt Retirement Fund, was used to pay off \$305 million of Manitoba's debt in April. These transactions are shown in the statement entitled, "Debt Retirement Fund" on page 10 of this financial report.

## YEAR END PROJECTION

In August 1999, a special warrant was issued to provide for increased operating expenditures related to Emergency Expenditures including \$71 million for Farm Disaster Assistance as well as \$8 million resulting from a more severe fire season than anticipated. The impact of the special warrant on the province's finances depends largely on the level of federal contributions toward disaster assistance. The province will access the Fiscal Stabilization Fund for the net provincial cost of these disaster assistance costs. Therefore, despite the significance of these expenditures, they will not impact on the overall year end financial position.

Despite some upward pressure on program expenditures in the areas of health, justice and costs resulting from the 1999 general election, the Budget surplus of \$21 million has not been revised at this time. The economy continues to perform well and revenue projections continue to be on track. A revised projection will be provided in the second quarter financial report.

## CHANGES IN ACCOUNTING POLICY

Effective April 1, 1999, the province implemented an accounting change with respect to tangible capital assets in accordance with new accounting standards issued by the Canadian Institute of Chartered Accountants. The change in reporting results in the expenditure on tangible assets being amortized "on an expense basis" over the useful life of the asset.

To reflect this change in accounting policy, expenditure now has two separate components, Part A - Operating Expenditure and Part B - Capital Investment.

Part A - Operating Expenditure represents expenditure consistent with previous years excluding expenditures now defined as Capital Investment under the new accounting policy, including the addition of amortization costs for capital assets.

Part B - Capital Investment is the expenditure for the acquisition of assets now defined as capital investments under the new accounting policy. It is important to note that, for multi-year projects, this authority represents only the annual cost required to acquire the assets and not the total cost of a project or asset.

In order to make year over year comparisons meaningful, the actual expenditures to June 30, 1998 have been adjusted to reflect the impact of the change in the capital asset accounting policy. This restatement affects the amounts for certain departments as amortization for the period is added and amounts that would have been classified as Part B - Capital Investment were recorded as such. The restatement impacts on total expenditure as follows.

|  | <u>Part A</u><br><u>Operating Expenditure</u> | <u>Part B</u><br><u>Capital Investment</u><br>(thousands of dollars) |
|--|---|--|
| <b>Expenditure to June 30, 1998</b>          | 1,523,514                                     | -  |
| <b>Restatement of Capital Expenditure</b>    |   |  |
| <b>Less:</b> To Part B -- Capital Investment | (1,890)                                       | 1,890  |
| <b>Add:</b> Amortization of Capital Assets   | 3,855   | -  |
| <b>Adjusted Expenditure to June 30, 1998</b> | <u>1,525,479</u>                              | <u>1,890</u>   |

CHANGES IN ACCOUNTING POLICY (cont'd.)

In addition to changes to accounting policy with respect to capital assets, the implementation of a new financial management information system on April 1, 1999 will facilitate further developments in accounting policies that are intended to make the information in these unaudited statements more comprehensive and current. Most notably, these statements include all accounts payable related to goods purchased. Previously, these purchases were accounted for when the actual cash payment flowed versus when the goods were received. The 1998/99 actual expenditures have not been restated for this change. Additional changes that improve the statements will be implemented over the coming months. As we further implement accrual accounting in the Quarterly Financial Reports, detail will be provided on the nature of each change and its impact where significant.

BORROWING ACTIVITY

The borrowing requirements for the 1999/2000 fiscal year are estimated to be \$2,356.1 million. This includes \$1,013.2 million for refinancing maturing debt issues with the balance required for self-sustaining programs, including Manitoba Hydro, and to fund an allocation to the Provincial Sinking Fund for the repurchase of foreign debt.

For the period April 1, 1999 to June 30, 1999, \$718.9 million has been borrowed; \$244.9 million was raised through the issue of Builder Bonds Series 5 with the remainder raised in the public market.

**PROVINCE OF MANITOBA  
OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE THREE MONTHS ENDED JUNE 30, 1999  
(with comparative figures for June 30, 1998)  
(UNAUDITED)**

| 1998/99<br>ACTUAL<br>(thousands of dollars) | 1999/2000<br>ACTUAL<br>(thousands of dollars) | INCREASE<br>(DECREASE) |                          | 1999/2000<br>ACTUAL    | ESTIMATE         | VARIANCE         |
|---|---|------------------------|--------------------------|------------------------|------------------|------------------|
|   |   |                        |                          | (thousands of dollars) |                  |                  |
| <b>Revenue</b>                              |   |                        |                          |                        |                  |                  |
| 871,540                                     | 901,506                                       | 29,966                 | Own Source Revenue       | 901,506                | 900,323          | 1,183            |
| 389,833                                     | 492,010                                       | 102,177                | Government of Canada     | 492,010                | 498,544          | (6,534)          |
| <u>1,261,373</u>                            | <u>1,393,516</u>                              | <u>132,143</u>         | <b>Total Revenue</b>     | <u>1,393,516</u>       | <u>1,398,867</u> | <u>(5,351)</u>   |
| <b>Expenditure</b>                          |   |                        |                          |                        |                  |                  |
| 1,291,412                                   | 1,326,691                                     | 35,279                 | Program Expenditure      | 1,326,691              | 1,449,070        | (122,379)        |
| 234,067                                     | 208,411                                       | (25,656)               | Public Debt Costs        | 208,411                | 208,450          | (39)             |
| <u>1,525,479</u>                            | <u>1,535,102</u>                              | <u>9,623</u>           | <b>Total Expenditure</b> | <u>1,535,102</u>       | <u>1,657,520</u> | <u>(122,418)</u> |
| <u>-</u>                                    | <u>75,000</u>                                 | <u>75,000</u>          | <b>Debt Retirement</b>   | <u>75,000</u>          | <u>75,000</u>    | <u>-</u>         |
| <u>(264,106)</u>                            | <u>(216,586)</u>                              | <u>(47,520)</u>        | <b>Budgetary Deficit</b> | <u>(216,586)</u>       | <u>(333,653)</u> | <u>(117,067)</u> |

**PROVINCE OF MANITOBA  
OPERATING FUND  
STATEMENT OF REVENUE  
FOR THE THREE MONTHS ENDED JUNE 30, 1999  
(with comparative figures for June 30, 1998)  
(UNAUDITED)**

| 1998/99<br>ACTUAL      | 1999/2000<br>ACTUAL | INCREASE<br>(DECREASE) |                                   | 1999/2000<br>ESTIMATE  | VARIANCE       |
|------------------------|---------------------|------------------------|-----------------------------------|------------------------|----------------|
| (thousands of dollars) |                     |                        |                                   | (thousands of dollars) |                |
|                        |                     |                        | <b>Taxation:</b>                  |                        |                |
|                        |                     |                        | Consumer and Corporate Affairs    |                        |                |
| 9,198                  | 9,368               | 170                    | - Insurance Corporations Tax      | 9,368                  | (920)          |
| 2,946                  | 3,098               | 152                    | - Land Transfer Tax               | 3,098                  | 190            |
|                        |                     |                        | Energy and Mines                  |                        |                |
| 617                    | 453                 | (164)                  | - Oil and Natural Gas Tax         | 453                    | (139)          |
|                        |                     |                        | Finance                           |                        |                |
| 57,684                 | 52,620              | (5,064)                | - Corporation Income Tax          | 52,620                 | -              |
| 389,021                | 425,943             | 36,922                 | - Individual Income Tax           | 425,943                | (45)           |
| 28,314                 | 31,557              | 3,243                  | - Corporation Capital Tax         | 31,557                 | (305)          |
| 23,997                 | 24,455              | 458                    | - Gasoline Tax                    | 24,455                 | 555            |
| 37,536                 | 35,316              | (2,220)                | - Levy for Health and Education   | 35,316                 | (2,184)        |
| 3,736                  | 717                 | (3,019)                | - Mining Tax                      | 717                    | (110)          |
| 9,466                  | 7,251               | (2,215)                | - Motive Fuel Tax                 | 7,251                  | (2,049)        |
| 141,263                | 146,237             | 4,974                  | - Retail Sales Tax                | 146,237                | (763)          |
| 8,088                  | 7,988               | (100)                  | - Revenue Act, 1964, Part I       | 7,988                  | (412)          |
| 17,550                 | 18,359              | 809                    | - Tobacco Tax                     | 18,359                 | (41)           |
| 375                    | 724                 | 349                    | - Environmental Protection Tax    | 724                    | 99             |
| <u>729,791</u>         | <u>764,086</u>      | <u>34,295</u>          |                                   | <u>764,086</u>         | <u>(6,124)</u> |
|                        |                     |                        | <b>Other Revenue:</b>             |                        |                |
| 2,007                  | 615                 | (1,392)                | Consumer and Corporate Affairs    | 615                    | (40)           |
| 16,499                 | 19,541              | 3,042                  | Highways and Transportation       | 19,541                 | 1,763          |
| 17,120                 | 14,306              | (2,814)                | Natural Resources                 | 14,306                 | 1,131          |
| 58,000                 | 57,000              | (1,000)                | Revenue from Lotteries            | 57,000                 | 4,000          |
| 48,123                 | 45,958              | (2,165)                | Other Departments                 | 45,958                 | 453            |
| <u>141,749</u>         | <u>137,420</u>      | <u>(4,329)</u>         |                                   | <u>137,420</u>         | <u>7,307</u>   |
| <u>871,540</u>         | <u>901,506</u>      | <u>29,966</u>          | <b>Total Own Source Revenue</b>   | <u>901,506</u>         | <u>1,183</u>   |
|                        |                     |                        | <b>Government of Canada:</b>      |                        |                |
| 267,690                | 232,248             | (35,442)               | Equalization                      | 232,248                | -              |
| 116,118                | 124,800             | 8,682                  | Canada Health and Social Transfer | 124,800                | -              |
| -                      | 130,595             | 130,595                | Federal Health Supplement         | 130,595                | (405)          |
|                        |                     |                        | Other                             |                        |                |
| 3,934                  | 1,886               | (2,048)                | - Education                       | 1,886                  | (6,334)        |
| 1,979                  | 764                 | (1,215)                | - Family Services                 | 764                    | 272            |
| -                      | 1,241               | 1,241                  | - Health                          | 1,241                  | 414            |
| 112                    | 476                 | 364                    | - Other Departments               | 476                    | (481)          |
| <u>389,833</u>         | <u>492,010</u>      | <u>102,177</u>         |                                   | <u>492,010</u>         | <u>(6,534)</u> |
| <u>1,261,373</u>       | <u>1,393,516</u>    | <u>132,143</u>         | <b>Total Revenue</b>              | <u>1,393,516</u>       | <u>(5,351)</u> |

**PROVINCE OF MANITOBA  
OPERATING FUND  
STATEMENT OF PART A – OPERATING EXPENDITURE  
FOR THE THREE MONTHS ENDED JUNE 30, 1999  
(with comparative figures for June 30, 1998)  
(UNAUDITED)**

| 1998/99<br>ACTUAL      | 1999/2000<br>ACTUAL | INCREASE<br>(DECREASE) |                                      | 1999/2000              |                  |                  |
|------------------------|---------------------|------------------------|--------------------------------------|------------------------|------------------|------------------|
| (thousands of dollars) |                     |                        |                                      | ACTUAL                 | ESTIMATE         | VARIANCE         |
|                        |                     |                        |                                      | (thousands of dollars) |                  |                  |
| 4,383                  | 5,472               | 1,089                  | Legislative Assembly                 | 5,472                  | 5,580            | (108)            |
| 630                    | 723                 | 93                     | Executive Council                    | 723                    | 700              | 23               |
| 7,374                  | 11,490              | 4,116                  | Agriculture                          | 11,490                 | 17,250           | (5,760)          |
| 713                    | 1,105               | 392                    | Children and Youth Secretariat       | 1,105                  | 1,100            | 5                |
| 908                    | 922                 | 14                     | Civil Service Commission             | 922                    | 1,000            | (78)             |
| 2,579                  | 2,381               | (198)                  | Community Support Programs           | 2,381                  | 2,700            | (319)            |
| 2,046                  | 1,827               | (219)                  | Consumer and Corporate Affairs       | 1,827                  | 2,210            | (383)            |
| 13,146                 | 15,274              | 2,128                  | Culture, Heritage and Citizenship    | 15,274                 | 16,870           | (1,596)          |
| 288,604                | 286,334             | (2,270)                | Education and Training               | 286,334                | 323,560          | (37,226)         |
| 12,097                 | 13,629              | 1,532                  | Employee Benefits and Other Payments | 13,629                 | 13,950           | (321)            |
| 2,084                  | 2,204               | 120                    | Energy and Mines                     | 2,204                  | 2,470            | (266)            |
| 3,327                  | 3,229               | (98)                   | Environment                          | 3,229                  | 4,010            | (781)            |
| 152,546                | 162,595             | 10,049                 | Family Services                      | 162,595                | 173,220          | (10,625)         |
| 356,903                | 332,419             | (24,484)               | Finance                              | 332,419                | 335,130          | (2,711)          |
| 20,681                 | 20,032              | (649)                  | Government Services                  | 20,032                 | 19,650           | 382              |
| 479,468                | 511,561             | 32,093                 | Health                               | 511,561                | 513,960          | (2,399)          |
| 40,952                 | 41,944              | 992                    | Highways and Transportation          | 41,944                 | 46,400           | (4,456)          |
| 10,480                 | 10,794              | 314                    | Housing                              | 10,794                 | 12,820           | (2,026)          |
| 4,819                  | 4,089               | (730)                  | Industry, Trade and Tourism          | 4,089                  | 7,720            | (3,631)          |
| 28,864                 | 32,582              | 3,718                  | Justice                              | 32,582                 | 35,510           | (2,928)          |
| 2,671                  | 2,836               | 165                    | Labour                               | 2,836                  | 2,900            | (64)             |
| 25,486                 | 24,460              | (1,026)                | Natural Resources                    | 24,460                 | 42,260           | (17,800)         |
| 5,029                  | 4,217               | (812)                  | Northern Affairs                     | 4,217                  | 5,750            | (1,533)          |
| 19,524                 | 19,669              | 145                    | Rural Development                    | 19,669                 | 23,490           | (3,821)          |
| 102                    | 196                 | 94                     | Seniors Directorate                  | 196                    | 200              | (4)              |
| 7,646                  | 2,642               | (5,004)                | Sport                                | 2,642                  | 2,600            | 42               |
| 181                    | 215                 | 34                     | Status of Women                      | 215                    | 220              | (5)              |
| 13,489                 | 7,140               | (6,349)                | Urban Affairs                        | 7,140                  | 15,990           | (8,850)          |
| 192                    | 262                 | 70                     | Enabling Appropriations              | 262                    | 5,800            | (5,538)          |
| 18,555                 | 12,859              | (5,696)                | Other Appropriations                 | 12,859                 | 22,500           | (9,641)          |
| <b>1,525,479</b>       | <b>1,535,102</b>    | <b>9,623</b>           | <b>Total Expenditure</b>             | <b>1,535,102</b>       | <b>1,657,520</b> | <b>(122,418)</b> |

**PROVINCE OF MANITOBA  
OPERATING FUND  
STATEMENT OF PART B – CAPITAL INVESTMENT  
FOR THE THREE MONTHS ENDED JUNE 30, 1999  
(with comparative figures for June 30, 1998)  
(UNAUDITED)**

| 1998/99<br>ACTUAL      | 1999/2000<br>ACTUAL | INCREASE<br>(DECREASE) |                                      | 1999/2000<br>ACTUAL    | ESTIMATE | VARIANCE |
|------------------------|---------------------|------------------------|--------------------------------------|------------------------|----------|----------|
| (thousands of dollars) |                     |                        |                                      | (thousands of dollars) |          |          |
| -                      | -                   | -                      | Legislative Assembly                 | -                      | -        | -        |
| -                      | -                   | -                      | Executive Council                    | -                      | -        | -        |
| -                      | -                   | -                      | Agriculture                          | -                      | -        | -        |
| -                      | -                   | -                      | Children and Youth Secretariat       | -                      | -        | -        |
| -                      | -                   | -                      | Civil Service Commission             | -                      | -        | -        |
| -                      | -                   | -                      | Community Support Programs           | -                      | -        | -        |
| -                      | -                   | -                      | Consumer and Corporate Affairs       | -                      | -        | -        |
| -                      | -                   | -                      | Culture, Heritage and Citizenship    | -                      | -        | -        |
| 97                     | -                   | (97)                   | Education and Training               | -                      | -        | -        |
| -                      | -                   | -                      | Employee Benefits and Other Payments | -                      | -        | -        |
| -                      | -                   | -                      | Energy and Mines                     | -                      | -        | -        |
| -                      | -                   | -                      | Environment                          | -                      | -        | -        |
| -                      | 8,700               | 8,700                  | Family Services                      | 8,700                  | 8,700    | -        |
| -                      | 2,974               | 2,974                  | Finance*                             | 2,974                  | 3,500    | (526)    |
| 1,113                  | 8,381               | 7,268                  | Government Services*                 | 8,381                  | 10,400   | (2,019)  |
| -                      | -                   | -                      | Health*                              | -                      | -        | -        |
| 404                    | 94                  | (310)                  | Highways and Transportation          | 94                     | -        | 94       |
| -                      | -                   | -                      | Housing                              | -                      | -        | -        |
| -                      | -                   | -                      | Industry, Trade and Tourism          | -                      | -        | -        |
| 11                     | -                   | (11)                   | Justice                              | -                      | -        | -        |
| 265                    | -                   | (265)                  | Natural Resources                    | -                      | -        | -        |
| -                      | -                   | -                      | Northern Affairs                     | -                      | -        | -        |
| -                      | -                   | -                      | Rural Development                    | -                      | -        | -        |
| -                      | -                   | -                      | Seniors Directorate                  | -                      | -        | -        |
| -                      | -                   | -                      | Sport                                | -                      | -        | -        |
| -                      | -                   | -                      | Status of Women                      | -                      | -        | -        |
| -                      | -                   | -                      | Urban Affairs                        | -                      | -        | -        |
| -                      | 5,480               | 5,480                  | Enabling Appropriations              | 5,480                  | 8,500    | (3,020)  |
| -                      | -                   | -                      | Other Appropriations*                | -                      | -        | -        |
| 1,890                  | 25,629              | 23,739                 | <b>Total Expenditure</b>             | 25,629                 | 31,100   | (5,471)  |

\* The Better Methods Initiative (Finance), Desktop Management Initiative (Government Services), Health Information Network (Health) and Better Systems Initiative (Other Appropriations) were funded from the Government Information Systems Management Organization (Man.) Inc. in 1998/99.

**PROVINCE OF MANITOBA  
OPERATING FUND  
STATEMENT OF VALUATION AND PURPOSE OF  
DIRECT AND GUARANTEED DEBT OUTSTANDING  
JUNE 30, 1999  
(with comparative figures for March 31, 1999)  
(UNAUDITED)**

| Canadian<br>Dollar<br>Equivalent<br>at Date of<br>Issue<br>June 30/99 | Canadian<br>Dollar<br>Equivalent<br>at Date of<br>Issue<br>Mar 31/99 | Increase<br>(Decrease)<br>June 30/99<br>over<br>Mar 31/99 |  | Canadian<br>Dollar<br>Valuation<br>(Note 1)<br>June 30/99 | Canadian<br>Dollar<br>Valuation<br>(Note 1)<br>Mar 31/99 | Increase<br>(Decrease)<br>June 30/99<br>over<br>Mar 31/99 |
|---|--|---|--|---|--|---|
| (thousands of dollars)  |  |   |  | (thousands of dollars)                                    |  |   |
| <b>Direct Debt Payable in:</b>  |  |   |  |   |  |   |
| 10,214,934  | 10,202,979   | 11,955  | Canadian Dollars                                 | 10,187,134  | 10,175,179   | 11,955  |
| 1,991,737   | 1,991,737  | -   | Issues Swapped to Canadian Dollars               | 2,045,427   | 2,045,427  | -   |
| 4,311,071   | 4,311,071  | -   | U.S. Dollars                                     | 5,381,273   | 5,517,267  | (135,994)   |
| 740,294   | 740,294  | -   | Issues Swapped to U.S. Dollars                   | 858,683   | 880,384  | (21,701)  |
| <u>17,258,036</u>   | <u>17,246,081</u>  | <u>11,955</u>   | <b>Total Direct Debt</b>                         | <u>18,472,517</u>   | <u>18,618,257</u>  | <u>(145,740)</u>  |
| <b>Guaranteed Debt Payable in:</b>                                    |  |   |  |   |  |   |
| 451,372   | 479,633  | (28,261)  | Canadian Dollars                                 | 451,372   | 479,632  | (28,260)  |
| 241,850   | 296,709  | (54,859)  | U.S. Dollars                                     | 241,850   | 296,709  | (54,859)  |
| <u>693,222</u>  | <u>776,342</u>   | <u>(83,120)</u>   | <b>Total Guaranteed Debt</b>                     | <u>693,222</u>  | <u>776,341</u>   | <u>(83,119)</u>   |
| 17,951,258  | 18,022,423   | (71,165)  | <b>Total Direct and Guaranteed Debt</b> (Note 2) | 19,165,739  | 19,394,598   | (228,859)   |
| 5,979,497   | 5,766,744  | 212,753   | Less: Sinking Fund Investments                   | 5,979,497   | 5,766,744  | 212,753   |
| -   | 230,071  | (230,071)   | Less: Debt Retirement Fund                       | -   | 230,071  | (230,071)   |
| <u>11,971,761</u>   | <u>12,025,608</u>  | <u>(53,847)</u>   | <b>Net Direct and Guaranteed Debt</b> (Note 3)   | <u>13,186,242</u>   | <u>13,397,783</u>  | <u>(211,541)</u>  |

Note 1: The Canadian Dollar Valuation is calculated using the foreign currency exchange rates in effect at June 30, 1999 and March 31, 1999 adjusted for any foreign currency contracts entered into for settlement after these dates.

Note 2: Direct and Guaranteed Debt are payable in Canadian and U.S. dollars. As at June 30, 1999, total gross debt was payable 66% in Canadian dollars and 34% in U.S. dollars. Of this total, General Purpose Debt and Other Debt was payable 78% in Canadian dollars (78% at March 31, 1999) and 22% in U.S. dollars (22% at March 31, 1999) while Manitoba Hydro was payable 44% in Canadian dollars (43% at March 31, 1999) and 56% in U.S. dollars (57% at March 31, 1999)

Note 3: The above debt was issued for the following purposes:

|                                   | June 30, 1999     |                          | March 31, 1999    |                          |
|-----------------------------------|-------------------|--------------------------|-------------------|--------------------------|
|                                   | (in thousands)    | (per capita)<br>(Note 4) | (in thousands)    | (per capita)<br>(Note 4) |
| General Government Programs       | 6,754,959         | 5,915                    | 6,773,800         | 5,931                    |
| The Manitoba Hydro-Electric Board | 5,519,033         | 4,832                    | 5,676,452         | 4,970                    |
| Other                             | 912,250           | 799                      | 947,531           | 830                      |
|                                   | <u>13,186,242</u> | <u>11,546</u>            | <u>13,397,783</u> | <u>11,731</u>            |

Note 4: Per capita data is based upon population figures at April 1, 1999 as reported by Statistics Canada.

**PROVINCE OF MANITOBA  
FISCAL STABILIZATION FUND  
PROJECTION FOR THE YEAR ENDING MARCH 31, 2000  
(with comparative figures for March 31, 1999)  
(UNAUDITED)**

|  | 1999/2000<br>Projection | 1998/99<br>Actual |
|--|-------------------------|-------------------|
|  | (thousands of dollars)  |                   |
| <b>Fund Balance, Beginning of Year</b>           | 427,311                 | 565,003           |
| <b>Revenue:</b>                                  |                         |                   |
| Interest Earnings                                | 9,300                   | 16,881            |
| Transfer from Operating Fund Revenue             | 21,400                  | 31,130            |
|  | 30,700                  | 48,011            |
| <b>Expenditure:</b>                              |                         |                   |
| Allocation in Support of Social Programs         | 75,000                  | 60,000            |
| Capital Initiatives                              | 55,000                  | 49,704            |
| 1997 Flood Related Programs                      | 37,202                  | -                 |
| Agricultural Income Disaster Assistance          | 12,000                  | -                 |
| Millennium Fund                                  | 4,000                   | -                 |
| Economic Innovation and Technology Fund Transfer | 3,800                   | 999               |
| Accelerated Debt Retirement                      | -                       | 75,000            |
|  | 187,002 (1)             | 185,703           |
| <b>Fund Balance, End of Year</b>                 | 271,009                 | 427,311           |

NOTE: (1) As indicated previously in the report, the net provincial cost of the 1999 Farm Disaster Assistance Program will be supported by a transfer from the Fiscal Stabilization Fund. The level of federal contribution to this program is not known at this time and, as a result, it is not possible to estimate the requirement from the Fund.

**PROVINCE OF MANITOBA  
DEBT RETIREMENT FUND  
PROJECTION FOR THE YEAR ENDING MARCH 31, 2000  
(with comparative figures for March 31, 1999)  
(UNAUDITED)**

|  | 1999/2000<br>Projection | 1998/99<br>Actual |
|--|-------------------------|-------------------|
|  | (thousands of dollars)  |                   |
| <b>Fund Balance, Beginning of Year</b> | 230,071                 | 76,308            |
| <b>Revenue:</b>                        |                         |                   |
| Interest Earnings                      | 32                      | 3,763             |
| Transfer from Operating Fund Revenue   | 75,000                  | 150,000           |
|  | <u>75,032</u>           | <u>153,763</u>    |
| <b>Expenditure:</b>                    |                         |                   |
| Debt Retirement Payment                | <u>305,103</u>          | <u>-</u>          |
| <b>Fund Balance, End of Year</b>       | <u>-</u>                | <u>230,071</u>    |