PROVINCE OF MANITOBA ANNUAL REPORT AND PUBLIC ACCOUNTS

FOR THE YEAR ENDED MARCH 31, 2020

Balanced and Resilient

20

Manitoba

PROVINCE OF MANITOBA ANNUAL REPORT AND PUBLIC ACCOUNTS MARCH 31, 2020

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, 2020. 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 statistics and indicators of the financial health of the Province.

Included in this Annual Report are the year-end review, management's financial statement discussion and analysis, the summary financial statements and the statutory reporting required in the Public Accounts.

Original signed by Scott Fielding

Honourable Scott Fielding
Minister of Finance

Office of the Minister of Finance
September 2020

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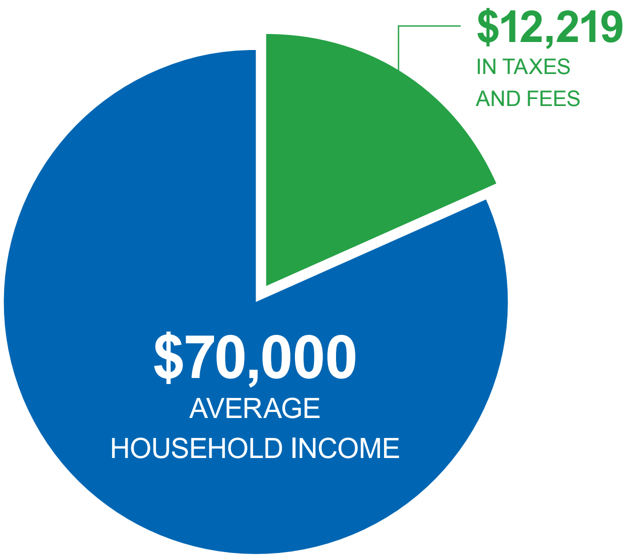
YOUR PROVINCIAL TAXES AND FEES



Breakdown of Taxes and Fees

Individual Income Tax	$ 5,498
Automobile and Motor Carrier Licences and Fees	$ 2,692
Retail Sales Tax	$ 1,140
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	$ 1,152
Education Tax Credit	-$ 700

Where does my money go?

$4,762
Health

$3,096
Education

$1,506
Supporting Vulnerable Manitobans

$718
Debt Servicing

$479
Community Safety

$365
Roads, Infrastructure and Flood Protection

$359
Investing in Farm and Food Industries

$286
Supporting Communities

$147
Sport, Culture and Heritage

$129
Procurement and Capital Assets

$107
Parks and Protected Spaces

$73
Building the Economy

$28
Emergencies

$164
Running Government

GOVERNMENT BORROWS AN ADDITIONAL $6,629 PER HOUSEHOLD

Capital investments, loans and guarantees	$6,629

THE BALANCED PATH TO BALANCE

Manitoba Announces Modestly Balanced Budget for 2019/20; Reiterates Forecasted Deficit of $3–5 billion for 2020/21

In 2016, we committed to Manitobans to fix the finances, repair services and rebuild the economy. We inherited a deficit approaching $1 billion that was on pace to grow to over $1.7 billion by today. And despite this unsustainable spending, we were often achieving the worst outcomes in the country – on many metrics we had the worst outcomes in healthcare, education and children in care. We were spending the most, but getting the worst outcomes. We were on a path to ruin.

Over the past four-and-a-half years, we have carefully taken steps to bring discipline and accountability into the business of running the government. Today, Manitoba is announcing a surplus for the 2019/20 Public Accounts, which, while modest, reflects an extraordinary amount of meticulous work, planning and focus since 2016.

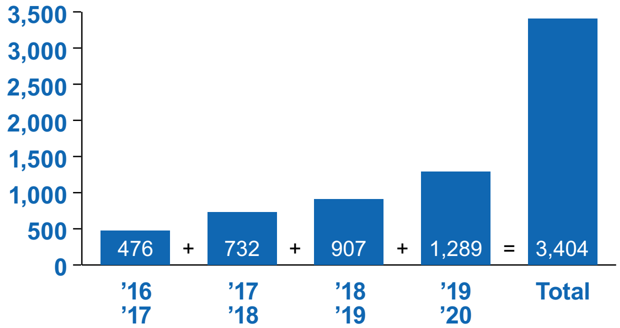
Importantly, this surplus was achieved while doing the following since taking office:

- Spending $3.4 billion more on Health, Education and Families
- From 2016 to 2019, increasing the number of hip and knee replacement surgeries by 28% and increasing the number of cataract surgeries by 23%
- Reducing the time patients wait to see a physician in Winnipeg emergency rooms by 29.5% from 2014/15 to 2018/19 (over the same time period, Manitoba saw a 30.2% decrease, while wait times across Canada increased by 20.5%)
- In 2014/15, patients waited two and a half hours longer to see a physician in Winnipeg emergency departments than patients in the rest of Canada but by 2018/19 Winnipeg patients waited 30 minutes longer than in the rest of Canada
- Ensuring all patients receive radiation therapy within the national benchmark, decreasing wait times from 12 to 9 days by 2019
- Improving outcomes on Grade 12 exams between 2016 to 2019, and increasing the four year graduation rate
- Improving the child poverty rate significantly between 2015 and 2018, from 19.2% to 13.1%, an improvement of 32%
- Reducing the number of children in care by four per cent since 2018/19, from 10,258 to 9,849, and building on the government's record in 2017/18 which saw the first decrease in the number of children in care in 15 years
- Annually increasing the total number of children served by Children's disABILITY Services from 5,505 in 2016/17 to 6,157 in 2019/20
- Bending the curve of Employment and Income Assistance case growth, moving from 6% increase in cases in 2016/17 to a 0.2% reduction in 2019/20
- Not resorting to any broad scale layoffs or labour reductions, allowing the public service to retain their jobs
- Returning nearly $700 million to the kitchen tables and to businesses through lower taxes
- Restoring the depleted Rainy Day Fund to its previous levels approaching $1 billion
- Fostering a positive business environment in which Manitoba is leading the country in private sector investment
- Reducing 90,824 regulatory requirements, which is a total 9.4% reduction

- Growing immigration to record levels, producing one of the lowest unemployment rates in the country, and adding nearly 19,000 private sector jobs between 2016 and 2019
- Continuing to meet the challenges of COVID-19 and being poised for a strong recovery in 2021.

Health, Education and Families Incremental Spending Since 2015/16

Millions of Dollars



In 2019/20 alone, we achieved this modest surplus despite increasing in-year spending on Health, Education and Families by almost $1.3 billion compared to 2015/16, and incurring over $175 million of unbudgeted, incremental in-year costs, including:

- $93.5 million of net new green expenditures, much of which were endowments for the GROW Trust, the Fish and Wildlife Enhancement Fund and Trails Manitoba
- Taking a $50 million write-down to reflect improper accounting treatment for the East Side Road Authority, which reported assets that did not exist
- Incurring a $5 million provision for contaminated sites, and
- Cleaning up past issues and booking other accounting charges totalling close to $30 million.

Today is an important milestone. It is important on its own – as it is the culmination of several years of careful fiscal management with a focus on investing in solutions, not throwing money at problems. Achieving fiscal sustainability is not a single large decision to achieve a balanced budget, but rather the culmination of thousands of small decisions that needed to be taken every single day. This was a multi-year marathon with millions of steps, not a single "moon shot".

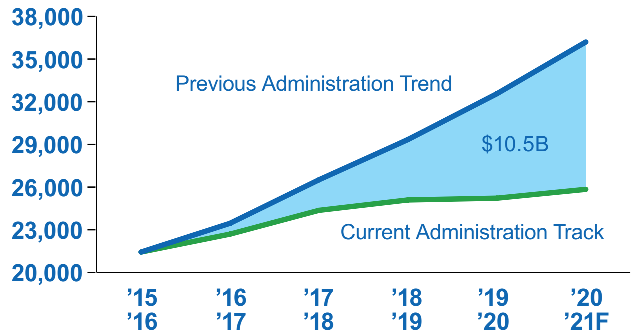
The COVID-19 pandemic will quickly reverse the progress we have made. Indeed, every government around the globe is facing a bleak fiscal picture in the near term. However, the progress made has allowed us the flexibility to face the enormous financial challenges of this pandemic.

Earned Resilience

We are facing unprecedented headwinds through the COVID-19 pandemic. Our fiscal discipline over the past five years has allowed us to avoid $10.5 billion of incremental debt by the end of 2020/21. This alone would have resulted in additional interest costs of close to $200 million each and every year into the future, not to mention it would have resulted in further credit downgrades and even higher interest costs.

Summary Debt

Millions of Dollars



Our new-found and hard-earned flexibility has allowed Manitoba's per capita pandemic-related spending in 2020 to be the third highest in Canada, after only Quebec and Ontario (the two hardest hit provinces).

COVID-19 Response Spending: Provincial Governments

	$ billions	% GDP (2018)	Ranking
BC	5.0	1.7	7
AB	6.8	2.0	6
SK	1.8	2.3	4
MB	**2.3**	**3.2**	**3**
ON	30.0	3.5	2
QC	28.3	6.4	1
NB	0.1	0.2	10
NS	0.9	2.0	5
PE	0.1	1.4	8
NL	0.4	1.1	9

Sources: Provincial Quarterly Updates, Parliamentary Budget Officer and Statistics Canada.

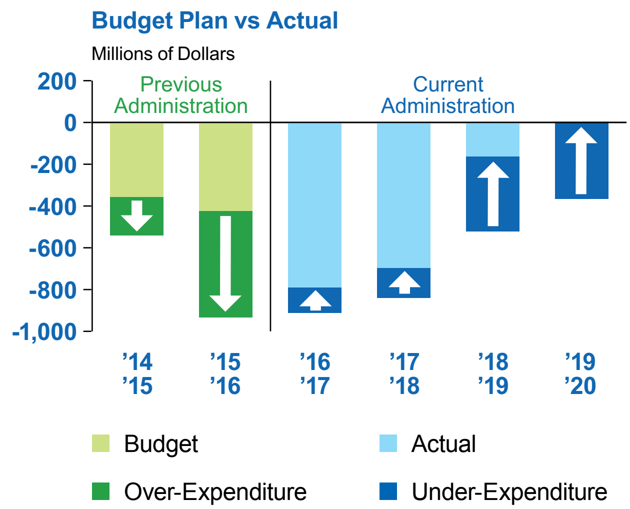
Despite our relative successes in Manitoba, we know this pandemic is leaving a significant public health and economic toll behind – even if a vaccine becomes widely available in 2021. We continue to expect a deficit in 2020/21 in the range of $3 billion to $5 billion, and we are not even half way through the year. The impact on health, social services and the economy will – optimistically – take several years to address.

We acknowledge there is no realistic prospect of another balanced budget for several years, and our priorities are now dedicated to stewarding Manitobans to a safe recovery and economic restart. We are grateful for the financial capacity to afford this response to COVID-19. We believe we can use the same patient and steady discipline to restore provincial finances to order in the medium term. We have done this safely and responsibly before, and Manitobans can trust our proven track record to do it again.

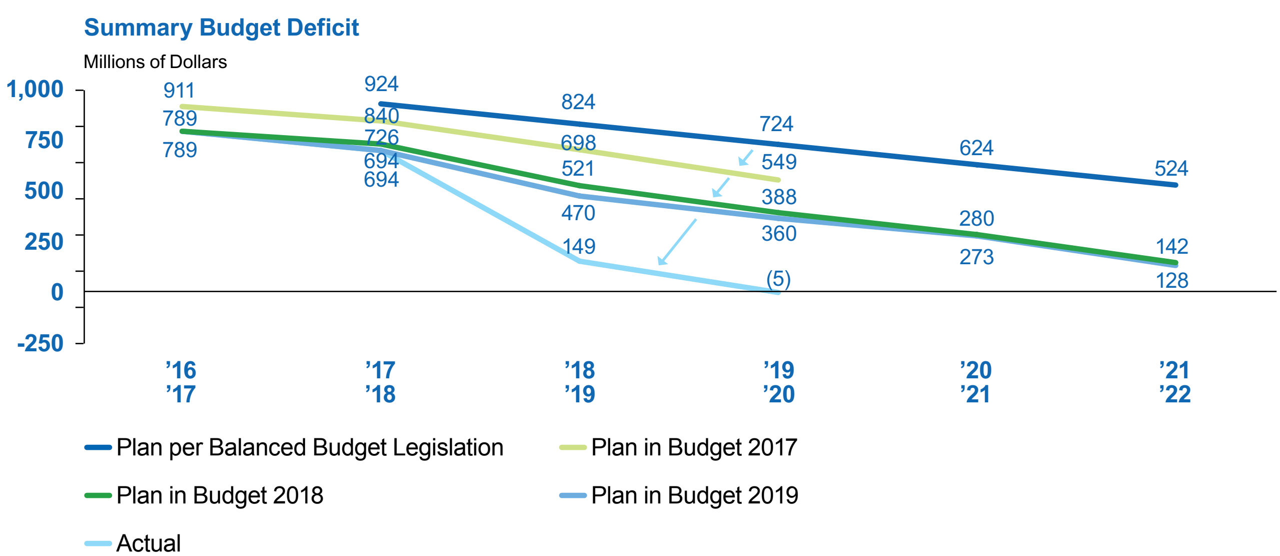
Promise Made, Promise Kept

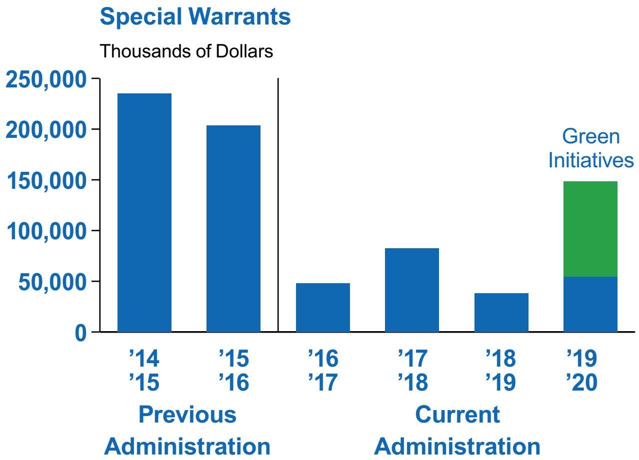
We can be trusted to fulfill our promises. For us, a budget is more than a hope – it is something we take very seriously to ensure that we meet (or exceed) our promises. In fact, since taking office in 2016, this government has made meaningful year-over-year progress each and every year.

We understand that prudent budgeting is only part of the solution, and managing to land within (or better than) your budget is every bit as important. We reversed the previous regularized practice of missing budget targets that was a recurring feature under the previous administration. Since taking office, each and every year, we have exceeded our budgeted plans.



Special warrants are a useful measure of fiscal discipline, as they represent the cumulative amount of overspending by voted appropriation. Once again, in 2019/20 after excluding for net new, unbudgeted green initiatives, our use of special warrants is significantly more curtailed than the previous administration.



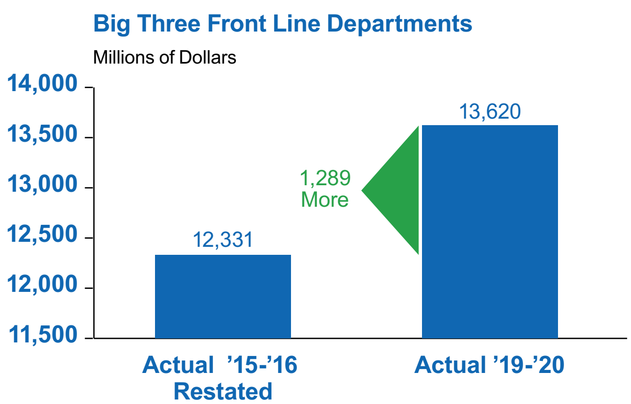


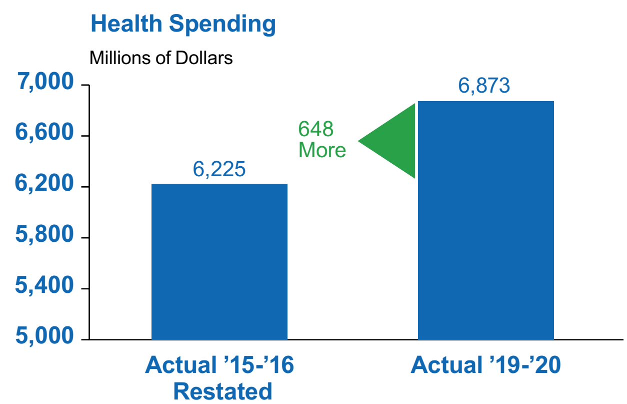
More is More

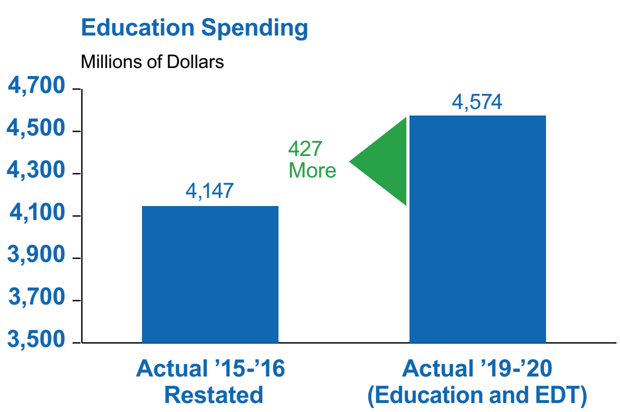
Our path to balance has been achieved through the careful balance of controlled expenditure growth with simultaneous tax reductions. In 2019/20 alone, we are spending nearly $1.3 billion more in the big three important areas of social spending.

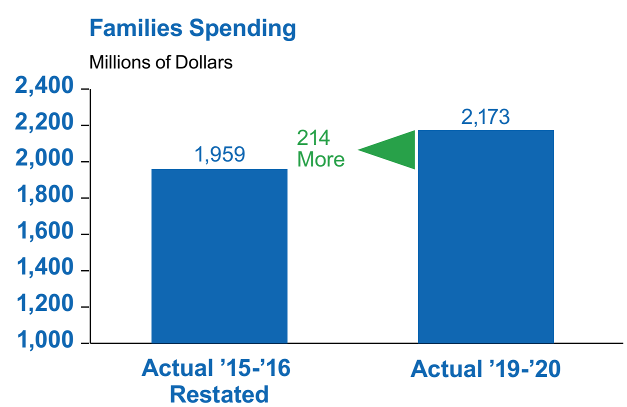
Government has been working hard since 2016 to make life more affordable for Manitobans and that remains our focus as we face the unprecedented financial pressures brought on by the COVID-19 pandemic. Since 2016, we will have returned nearly $700 million to the kitchen tables of Manitobans and businesses through lower taxes, including savings through Budget 2020. Our ongoing indexing of the basic personal amount and personal income tax brackets, as well as fulfilling our commitment to cut the PST to 7 per cent, means more savings to households each and every year.

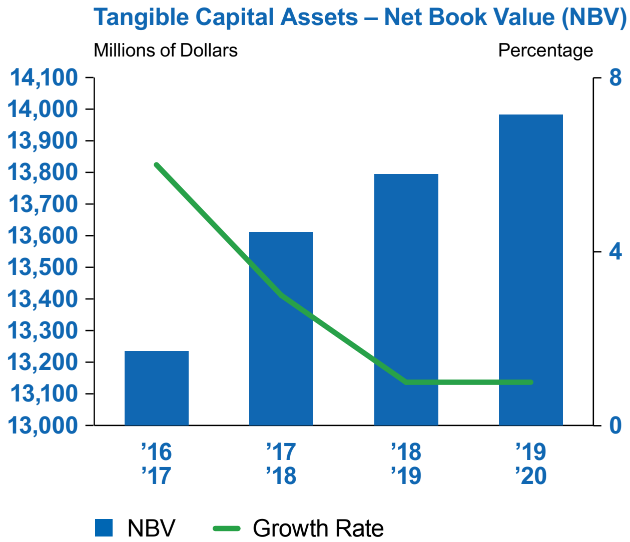
While we continue to take structural reforms to ensure we are spending a higher percentage of our budgets on strategic infrastructure, we continue to make necessary investments. A good measure of this metric is our tangible capital assets – which shows the total value of non-depreciated assets still in their useful accounting life. These assets grew at unsustainable rates in previous years, but are now continuing to grow every year at normal, sustainable levels along with the rest of the economy.











Past Discipline → Resilience to Weather the Pandemic

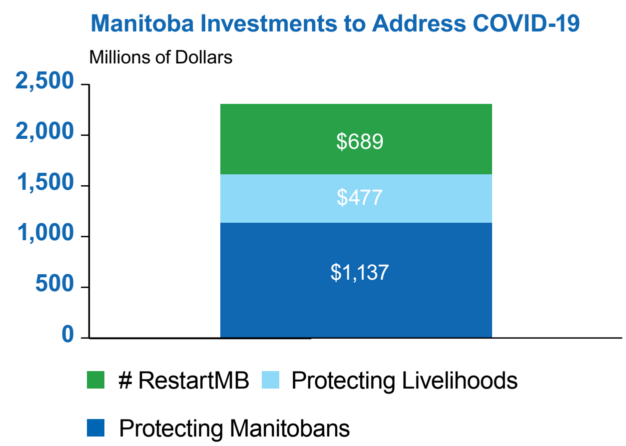
Having avoided $10.5 billion of incremental net debt since 2016 allowed Manitoba to have a robust set of spending programs in response to the pandemic. Manitoba invested immediately and throughout the COVID-19 crisis in supports for people and businesses. Our programs are designed to provide direct financial assistance to vulnerable populations like seniors and Manitobans with disabilities; assist people getting back to work; and fill gaps in federal support programming.

We made significant investments in the health care system to mitigate and respond to COVID-19. Early on this year, orders were placed for large procurements of personal protective and medical equipment and we expanded testing capacity and contact tracing. We announced investments of over $360 million in personal care homes and homeless shelters, in digital health, and various upgrades to equipment and infrastructure in health-care facilities. A further $500 million through the Manitoba Restart Capital program will further boost economic growth through strategic infrastructure projects.

The wide-scale impacts of the economic and societal shutdown also required supports for thousands of Manitoba families and business. We supported child care providers and parents in need of child care, froze residential rent increases, and deferred interest and penalties on utility and tax bills, while accelerating the removal of $75 million of annual PST from property insurance.

We also implemented the Manitoba Gap Protection Plan, giving $6,000 to businesses that do not qualify under federal programs and opened the Manitoba Economic Support Centre to help businesses, non-profits and charities connect with the multitude of provincial and federal programs. The Seniors Economic Recovery Credit assisted seniors to meet additional costs, while MPI rebates were paid to thousands of ratepayers, and the Risk Recognition Program payment to eligible essential front-line workers supported those who took extraordinary risks to keep Manitobans safe. As the school year gradually resumes this fall, we are investing $100 million through the Safe Schools fund – the second-highest in the country on a per-capita basis – to ensure a safe and healthy learning environment.

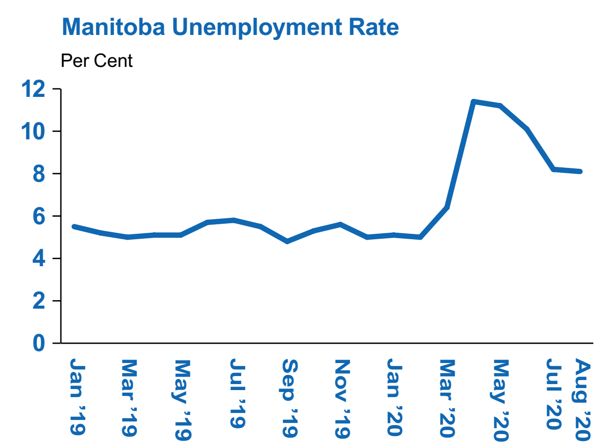
We have cast the broad set of measures and supports for our recovery as #RestartMB, clearly outlining the government's roadmap. All told, we are investing nearly $2.3 billion in public health preparedness, supporting jobs, and in economic stimulus to protect Manitobans and their livelihoods.

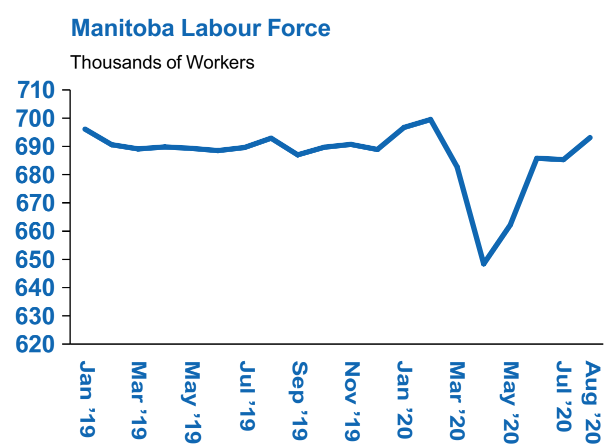


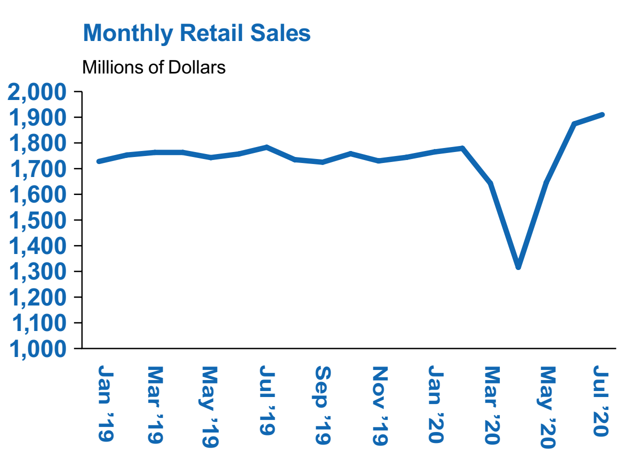
In response, the Manitoba economy has lead the country in recovery. As of the September 3 forecast survey, Manitoba is ranked 2nd best (-3.8%) for nominal GDP growth in 2020, and best (8.3%) for the lowest in unemployment rate. Since February, Manitoba ranks first in private sector job recovery and second in total employment across the country. In August, Manitoba's year to date unemployment rate edged down to 8.2% ranked lowest across the country. Manitoba youth unemployment at 16.5% dropped from 24.6% in April, ranking the second lowest in Canada.

Manitoba Labour Force Statistics

Indicator	August	February	February 2020 to Current		
	2020	2020	Level Change	% Change	Manitoba Rank
Labour Force	693,100	699,500	-6,400	-0.9	3
Total Employment (Private + Public)	**637,200**	**664,200**	-27,000	-4.1	2
Private Employment	476,200	496,300	-20,100	-4.0	1
Private Sector Employees	390,000	406,800	-16,800	-4.1	1
Self-Employed	86,200	89,500	-3,300	-3.7	7
Public Sector Employees	161,000	167,900	-6,900	-4.1	9
Total Employment (FT + PT)	**637,200**	**664,200**	-27,000	-4.1	2
Full-time Employment	507,500	525,000	-17,500	-3.3	1
Part-time Employment	129,700	139,200	-9,500	-6.8	10
Total Unemployment	56,000	35,300	20,700	58.6	6
Unemployment Rate %	8.1 (second)	5.0 (second)	3.1pts		
Youth Unemployment Rate %	15.6 (third)	9.6 (third)	6.0pts		







2019/2020 Financial Results Explained

The Manitoba economy performed very well in 2019/20. We continue to be among the leading provinces in private sector investment. Private sector capital investment increased by 26 per cent in the previous two years, which is the second-highest among provinces. Capital investment in manufacturing increased by 54 per cent in 2019, the highest among provinces while capital investment in transportation and warehousing increased by 48 per cent in 2018, second-highest among provinces.

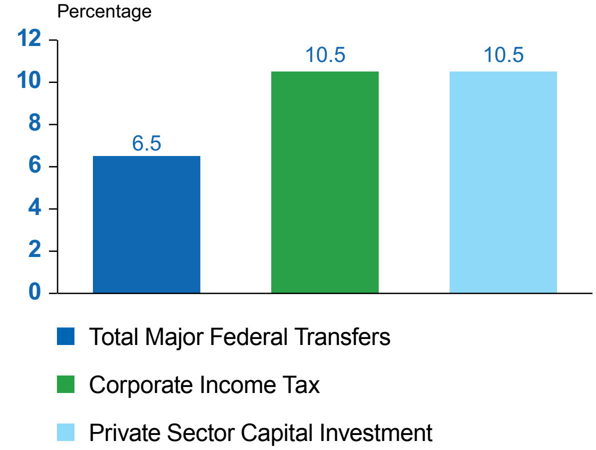
Over the past two years, we exported over $3 billion to the U.S., which is the best two-year increase for the province. Population growth remained on an upward trend, with an increase of just over 16,000 in 2019, above the 10-year average of 15,563 persons per year. Immigration levels to Manitoba increased to 17,223 persons in 2019, among the highest in close to a hundred years.

With strong population growth and a relatively high labour force participation rate, we maintained the third lowest unemployment rate in Canada in 2019 at 5.3 per cent and job creation has been on a steady climb since 2016, increasing by 19,800 workers. Last year, employment increased by 5,700 workers to a record 654,500 workers, a 0.9 per cent increase from 2018. Private sector employment represented almost all of the gains last year, increasing by 5,100 jobs, while public sector jobs increased by 600.

Although COVID-19 disrupted significant amounts of economic activity, an encouraging sign is that construction activity was not shut down in Manitoba during the early stages of the pandemic to the same extent as in other provinces, allowing construction projects to continue. Manitoba's private capital investment ranking improved as a result from 8th to 3rd highest in the country.

In turn, the strong economic and demographic fundamentals in Manitoba resulted in very strong growth in personal and corporate income tax revenues compared to our earlier expectations.

Comparison of Major Revenue Sources and Private Sector Growth (2017-2019)



This strong revenue growth was partially (but not fully) offset by over $200 million of incremental health spending over budget, unexpected write-downs from our books (including an enormous $50 million write-down following the improper capitalization of the East Side Road Authority by the previous administration) and some net new green spending.

Accounting Matters

We continue to receive the ongoing qualifications from the Office of the Auditor General (OAG) in respect of two issues:

First, there has been a longstanding professional disagreement with the OAG in respect of the inclusion of the Workers Compensation Board's income. We have taken the view adopted by 8 other provinces that this is not our money. While we continue to respectfully disagree with the OAG and refuse to claim credit for money that is not ours, we have worked to table legislation that will get this disagreement behind us. This legislation has been tabled and is awaiting passage.

Second, there has been another professional disagreement with the OAG in respect of the legal trusts established by one of our Crown corporations, the Manitoba Agricultural Services Corporation. We continue to have ongoing dialogue with the OAG and hope to have something to announce soon.

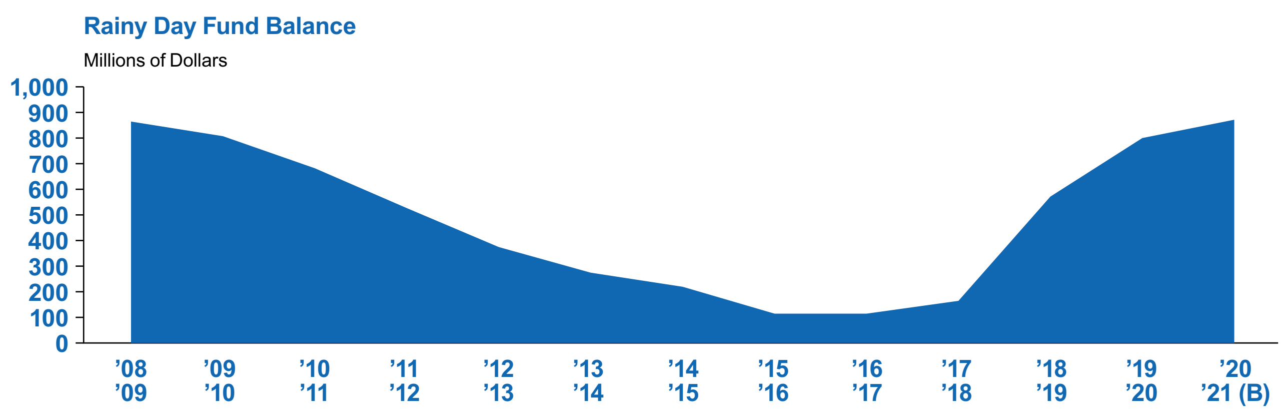
It is important to note that the qualifications issued by the OAG are in respect of matters that would have collectively improved our bottom line. In fact, in respect of the 2019/20 fiscal year, the accounting treatment advanced by the OAG would have meant that our surplus would have been $43 million instead of $5 million. Put another way, the OAG's accounting positions in respect of WCB and the MASC trusts yield a more positive "bottom line" than our public accounts position.

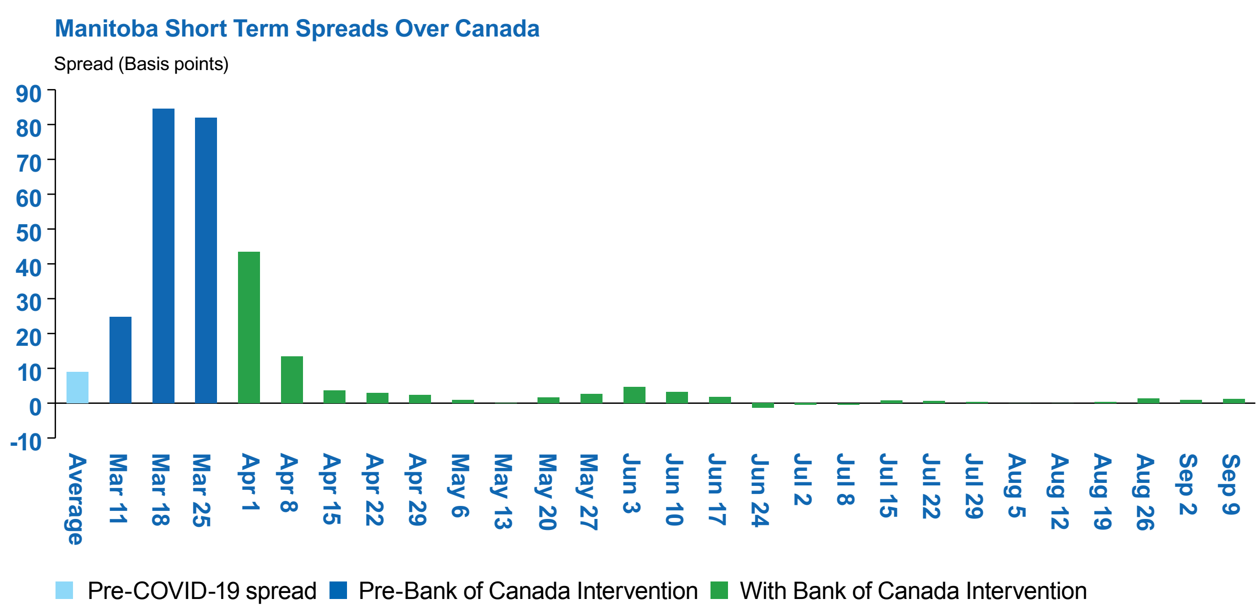
Expenditure pressures related to new accounting standards are on the horizon. On April 1, 2022 the new standard on Asset Retirement Obligations (ARO) comes into effect. This standard provides guidance on the accounting and reporting for legal obligations associated with the retirement of tangible capital assets such as schools, hospitals or personal care homes. When this new accounting rule comes into effect, our net debt will increase by an estimated $1 billion. The introduction of ARO accounting is also expected to put pressure in the range of approximately $5 million on our future net income, which we believe can be fully absorbed within our existing fiscally resilient framework.

Liquidity and the Rainy Day Fund

Since 2016, we have been working hard to restore the Rainy Day Fund to its former levels, prior to it being depleted despite strong economic times.

The Rainy Day Fund is an invaluable source of cash and liquidity on hand for when one needs it the most. In the early days of the pandemic, our anticipated borrowing needs grew from $5 billion (mostly to refinance existing debt and for strategic infrastructure expenses) to around $9 billion overnight, and anticipated expenses grew and our traditional revenue sources were falling. At the same time, borrowing costs for all provincial governments skyrocketed.





A typical measure of "affordability" for our provincial borrowing programs is the "spread" between the Canadian federal government's own borrowing costs and Manitoba's. In the early days of the pandemic, these spreads increased enormously, with the possibility of driving hundreds of millions of dollars to our borrowing costs over time. Indeed, the debt markets for provincial-level governments became so constrained at that time that there were simply no opportunities for any provinces to even borrow money, regardless of rates.

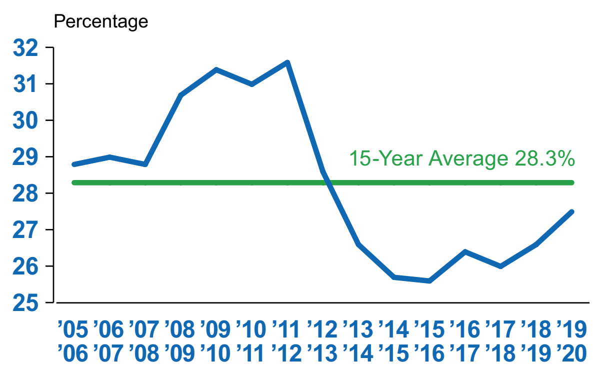
Fortunately, having the capacity of the Rainy Day Fund allowed us to know we had resiliency to wait for more opportune times to borrow, without panicking and saddling future generations of Manitobans with unnecessarily high borrowing costs. While we have not yet drawn down on our balance in our Rainy Day Fund, the need may arise in the coming months as the global pandemic continues. It is important for Manitobans to know that this resiliency remains on hand for future needs.

Provincial revenues include the major federal transfers, notably the Equalization program, the Canada Health Transfer, the Canada Social Transfer and other transfers. Overall Manitoba has seen a material decline in total major federal transfers as a share of our revenues from a high of 31.6 percent in 2011/12 to just over 27.5 percent in 2019/20.

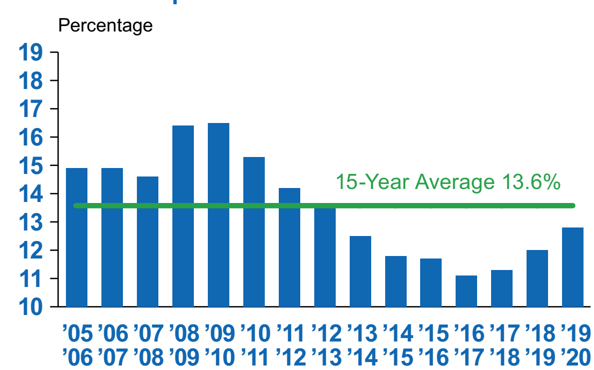
The fiscal role of the federal government to support provinces and territories remains paramount as we continue to shoulder the majority and growing share of health care costs as well as the many front-line impacts of the COVID-19 pandemic.

Over all, our "net debt to GDP" ratio – an important measure of the capacity of a province to service its overall debt – decreased this year. This represents a major achievement, reversing years of growth.

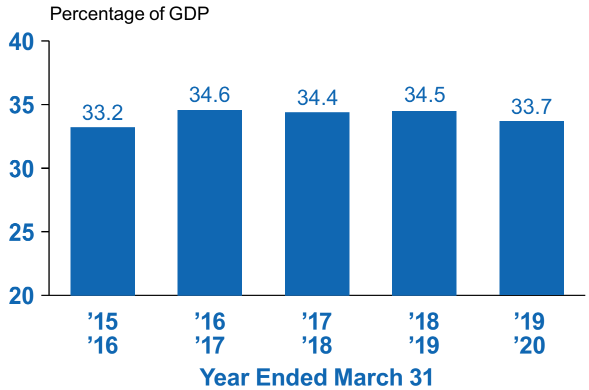
Federal Transfers to Total Revenue



Federal Equalization Revenue to Total Revenue



Net Debt as a Percentage of Provincial GDP



Balanced Budget Legislation (BBL)

The Fiscal Responsibility and Taxpayer Protection Act requires the government not to incur a deficit greater than the baseline amount. The deficit amount is calculated in accordance with provisions of the Act, which sets out a starting baseline of $924 million in 2018 that is reduced by $100 million per year thereafter. For the fiscal year 2020, the baseline amount is $724 million.

Manitoba Hydro's net income or loss is not included in determining the surplus or deficit for a fiscal year for the purposes of this Act. In 2020, $99 million in net income from Manitoba Hydro was deducted from the calculation.

In addition, in determining the surplus or deficit for a fiscal year for the purposes of this Act an amount transferred to the fiscal stabilization account for that fiscal year is to be deducted as if it were an expenditure for that year. In 2020, $228 million was contributed to the Rainy Day Fund.

For the 2020 fiscal year, there remains a deficit under the BBL. The government is not taking credit for Hydro income nor the contribution to the Rainy Day Fund, therefore, the deficit under BBL is $323 million.

Conclusion

Like every other government we face an uncertain outlook during the coming months and potentially years as the global COVID-19 pandemic continues, but Manitoba is more resilient than ever, and poised for success. Second only to ensuring we make the necessary investments to keep Manitobans safe, rebuilding our economy remains our top priority. There are still tens of thousands of Manitobans looking for work, and our debt levels are growing at an unprecedented pace. Yet, at the same time we are confident in our ability to face these challenges and emerge in the future even stronger and more resilient.

FOR THE YEAR ENDED MARCH 31, 2020

Strategic Outcomes, Financial Outlook and Strategic Infrastructure Investments

STRATEGIC OUTCOMES

Agriculture

- Manitoba continues to be at the forefront of Protein Development with the release of the Manitoba Protein Advantage Strategy and holding the First Manitoba Protein Summit. In addition, the Food Development Centre developed new oat, hemp, canola and prairie fruit proteins for Manitoba companies.
- The Animal Welfare Program completed an independent review and will be implementing key recommendations that will improve service delivery in animal welfare enforcement throughout Manitoba.
- AgriInsurance coverage is expected to be just under $3.0 billion in 2020, the highest level of coverage on record.

Conservation

- Worked toward the implementation of the Climate and Green Plan across government and made significant investments to reduce Manitoba's carbon footprint.
- Announced the Efficient Trucking Program which will provide rebates to Manitoba's heavy-duty trucking sector via matched funding from Environment and Climate Change Canada's Low Carbon Economy Fund.
- Presented an accelerated work plan for the remediation of orphaned mines and contaminated sites.
- In January 2020, the new Watershed Districts Act was proclaimed, completing the modernization of Manitoba's highly successful conservation districts program. The Watershed Districts Program includes a realignment of districts to watershed-based boundaries, new opportunities for partnerships including with indigenous communities, and enhanced opportunities for programming and funding through Growing Outcomes in Watersheds.
- Created the new $50 million Growing Outcomes in Watersheds Trust to conserve and restore wetlands with a focus on Class 1 and 2 wetlands that are a high risk of loss to agricultural production. The program is administered by the Manitoba Habitat Heritage Corporation with the fund invested through The Winnipeg Foundation.
- Manitoba Agriculture and Resource Development advanced shared management through a series of community meetings on moose management in Western Manitoba, initiated a new shared management process to protect fish stocks in the lower reaches of the Saskatchewan River and, held numerous workshops to train staff in consensus building and conflict resolution.

Education

- Investing more than $56 million in 110 infrastructure renewal projects at schools across the province, with construction either underway or complete on many of the projects. The goal is to complete all projects by the end of 2020. The Manitoba government is spending more than $146.2 million on new, large-scale public school infrastructure capital projects.
- In fall 2019, the Manitoba government announced a 20 new school guarantee, with a commitment to construct these schools over the next 10 years. Two new schools were opened including a K–8 school in Winkler and a high school in Niverville. Three additional schools were designed and began construction including K–8 schools in Brandon and Winnipeg and a K-5 School in Winnipeg. Design work also began for a new K–8 school and a new grade 9–12 high school in Waverley West.
- Establishment of five new sites for the Community Schools Program that began implementation in January 2020 through the Mental Health Strategy.

- Funding of $250,000 to the Treaty Relations Commission for the Treaty Education Initiative to train over 200 teachers and provide treaty kits to schools from September 2019 to February 2020.
- Helped more low-income and Indigenous Manitoba students access funding for post-secondary education through the Manitoba Student Loan program and enhancements to both the Manitoba Scholarship and Bursary Initiative and Manitoba Bursary program.
- Enhanced school-based mental health and addictions supports were announced, which are delivered by clinical teams with psychiatric nurses, addictions support workers, and High Fidelity Wraparound Inter-Agency (HFWI) facilitators in school divisions to support students with moderate mental health and addictions needs.

Families, Seniors and Communities

- The Community Living disABILITY Services program continued implementation of the building on abilities initiative by introducing standardized funding models to existing program participants residing in Supported Independent Living arrangements and Agency Operated Home Share placements. The new funding models link individualized funding levels with assessed levels of support need and support the program's objective of ensuring that available financial resources are allocated in a fair, equitable and transparent manner.
- A new single envelope funding model was implemented for Child and Family Services authorities and agencies, which provides enhanced flexibility and autonomy, and reduced administrative burden for service providers.
- A new dual stream approach to the Inclusion Support Program in Early Learning and Child Care enhanced coordination of services based on a facility's capacity to better target resources of both internal services such as Children's disABILITY Services and external service providers to support the inclusion of children with disabilities and emotional behavioral needs.
- Endorsed the bilateral agreement under the National Housing Strategy to help address the housing needs of Manitobans between 2019/20 and 2027/28.
- Manitoba Housing has been actively pursuing the partnership with community housing providers to manage housing units owned by Manitoba Housing and Renewal Corporation (MHRC). As of February 2020, 1,532 units have been allocated or transferred, representing approximately 11 per cent of the direct-managed housing stock.
- Provided $313.5 million in funding to municipalities as a stable single basket approach to operating and in support of shared capital project priorities. Provided over $10 million to municipalities under the one-time 2020 Flood Preparedness Program to prepare for flood events.
- Added over $1 billion of supplemental assessment to municipal tax rolls for new construction, resulting in more than $5.6 million in additional annualized tax revenue for municipalities.
- Launched the new Building Sustainable Communities Program, which transformed and modernized grant funding with a focus on increasing community capacity and promoting sustainability for non-profit organizations. In the 2019/20 fiscal year, the department approved 227 community development projects that totaled $23.3 million, including the province's $7.9 million contribution.
- Supported strategic partnership initiatives with The Winnipeg Foundation to fully realize the $10 million Endow Manitoba Fund to grow rural community foundations in Manitoba.

Growing Our Economy

- Launched the Manitoba Works Plan with Team Manitoba partners to spur economic development including the establishment of the Board of Directors for the new rural economic development organization.
- Manitoba continues to lead on reducing internal trade barriers by removing a number of exceptions under the Canadian Free Trade Agreement. Manitoba has the fewest exceptions of all provinces and is one of only two provinces with no procurement exceptions.
- Manitoba launched a new $2.1 million Innovation Growth Program to encourage private-sector investment in small and medium-sized enterprise to develop and commercialize innovative new products.

- The Manitoba Liaison Committee on Mining and Exploration was established as the province's industry advisory group on priority issues concerning mining and mineral exploration in Manitoba.
- Developed action plan to address the 12 recommendations of the 2019 Review of Planning, Zoning and Permitting that led to the introduction of The Planning Amendment and City of Winnipeg Charter Amendment Act, the Building and Electrical Permitting Improvement Act and the Permit Disputes Resolution. The legislation introduces a number of measures to improve the efficiency, transparency and accountability of planning and permitting, while also enhancing opportunities for economic and related revenue growth in communities across the province.
- Removed restrictions on the distribution of alcohol to spur economic growth in the alcohol distribution and liquor industries.
- Introduced legislation to repeal provincial retail shopping restrictions on Sundays and holidays.

Health Care

- Opened the new $232.9 million Women's Hospital at Health Sciences Centre in Winnipeg on December 1, 2019.
- Announced a new dedicated 28-bed stroke unit at Health Sciences Centre scheduled to open in 2020.
- Completed the $23 million emergency department expansion at Dauphin Regional Health Centre including updated resuscitation/trauma care room and enhanced treatment, exam and observation rooms.
- Completed the Brandon Regional Health Centre redevelopment including creation of 12 additional beds, accessible shower areas, and improved security.
- Announced redevelopment and expansion of St. Boniface Hospital emergency department.
- Invested nearly $5.2 million for dialysis services and added additional spaces at renal centres.
- Reduced ambulance fees to a maximum of $250.
- New full-time paramedics began working in communities across Manitoba and $10 million was invested to purchase 65 replacement ambulances.
- Completed renewal of the Physician Master Agreement and set the stage for a governance committee.
- Announced investment of more than $2.7 million to improve access to mental health and addiction treatment including extended hours at Rapid Access to Addictions Medicine clinics.
- Opened $66.7 million four-storey building with 157 new long-term care beds at Holy Family in Winnipeg.
- 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 chronic obstructive pulmonary disease.
- Completed several information technology projects and specialized equipment projects including:
  - $23 million investment to support digital mammography in Manitoba
  - Provincial Home Care Electronic Record for Winnipeg and Prairie Mountain Health Regions
  - Provincial Emergency Department Information System/Admission Discharge Transfer System project
  - Provincial Laboratory Information System
  - Replaced linear accelerator at CancerCare Manitoba
  - Replaced CT scanner at Brandon Regional Health Centre

Infrastructure

- Lake Manitoba and Lake St. Martin Outlet Channels Project achieved a major milestone of submitting the Environmental Impact Statement setting out an understanding of the social, environmental, and economic impacts of the project.
- Substantially completed housing and infrastructure projects to support the return of Lake St. Martin community members impacted by the 2011 flood as part of the Operation Return Home Project.

- Completed and opened the new Waterhen Waste Disposal Site that will benefit multiple communities in the region and support regional co-operation.
- Manitoba unveiled the design for a new four-lane bridge to replace the 50-year old Daly Overpass in Brandon.

The North and First Nations

- Signed a Memorandum of Understanding to formalize discussions towards an agreement on the transfer of assets, ownership and operations of the province's Northern Airport and Marine Operations to First Nations. The Memorandum of Understanding opens an official discussion about First Nations' independence in controlling the transportation infrastructure they depend on daily. This is a critical step toward furthering reconciliation in Manitoba.
- Issued a public Call for Proposal under the Indigenous and Northern Initiatives Program to provide grant funding of $245,000 to support projects and initiatives that promote meaningful and concrete action to advance reconciliation.
- Department of Education formed partnership with Manitoba Aboriginal Languages Strategy partners to revitalize Indigenous languages in Manitoba.

Protecting Families and Communities

- Distributed over $220,000 to Indigenous-led agencies to support victims of crime.
- Announced a nearly $2.5 million annual investment to transition court security and prisoner transport duties in Manitoba's east district from RCMP to Sheriff Services, reducing extraneous demands on RCMP, allowing them to focus on front-line policing services in their communities.
- Implementing a ground-breaking, first-in-Canada service innovation, co-designed with Manitobans, which is modernizing the province's family law system to improve outcomes for families and children.
- Announced the development of an Integrated Case Management System which will modernize Manitoba's courts, reduce reliance of paper, provide province-wide access to court information and improve public access to online systems.
- Announced an investment of $2.8 million as part of the Safer Streets, Safer Lives Action Plan to address rural crime by establishing new RCMP Crime Reduction Teams throughout Manitoba and supporting RCMP efforts to dismantle street gangs.
- Invested an additional $400,000 for Restorative Justice programs and the creation of a restorative justice North initiative.
- Selected proponent through an Expression of Interest to provide long-term housing options for women and children who have experienced family violence.
- Introduced Immediate Roadside Prohibition (IRP) to strengthen consequences for persons driving under the influence of alcohol, and provide an expedited provincial administrative sanctions alternative to the criminal court process for first time impaired driving offenders, where the case does not involve death, serious bodily harm or other aggravating factors.

Regulatory Accountability and Reducing Red Tape

- Manitoba's regulatory accountability initiative has reduced the number of provincial regulatory requirements to just over 871,000 from more than 960,000 on April 1, 2016 – a 9.4 per cent reduction.
- Created a public portal to publish all policies and forms that contain regulatory requirements, creating a single public access point for policies and forms.
- Participated in the successful negotiation of nine regulatory reconciliation agreements under the Canadian Free Trade Agreement's Regulatory Reconciliation and Cooperation Table, in areas that include technical safety, occupational health and safety, transportation, construction codes, and corporate registries.

Sport, Culture and Heritage

- Announced $2 million endowment fund to ensure military memorials can be preserved and maintained for future generations.
- Announced $15 million Heritage Resources Fund to help preserve Manitoba's heritage infrastructure.

- Broadened the mandate of the Manitoba Arts Council and modernized the funding model by creating a single window for access to all provincial arts funding.
- Created a $10 million Signature Museum Sustainability Fund and Capacity Building Fund to build capacity in providing long-term sustainable financial support to Manitoba's seven Signature Museums.
- Launched "Your Archives: The Histories We Share" to commemorate Manitoba's 150th and the Hudson's Bay Company's 350th, by inviting people to select an archival record for inclusion in a growing exhibit online and at the Archives.
- The Legislative Building Centennial Restoration and Preservation Act sets out provisions to ensure the most appropriate measures are taken to restore, preserve, update and maintain the Legislative building and grounds. This includes the provision of stable and secure funding of $10 million annually for fifteen years and $2.5 million annually, beginning in 2034, to pay for ongoing maintenance of this 100-year old provincial heritage site.

Supporting Local Communities

- Provided $121.2 million in unconditional operating funding and $132.6 million in infrastructure funding to the City of Winnipeg. In addition to $22.7 million to support community projects such as St. James Civic Centre, Winnipeg Art Gallery, Manitoba Museum, and Assiniboine Park Conservancy.
- Provided municipalities outside of Winnipeg with $51.4 million in unconditional operating grants and $38.4 million in infrastructure funding, including support for critical water and wastewater projects across Manitoba.
- Supported the growth of community foundations in collaboration with The Winnipeg Foundation through the creation of a $10 million Endow Manitoba Fund.
- Created a new $7.5 million Manitoba Trails Endowment Fund that will promote, plan, co-ordinate and supervise the development of recreational trails in Manitoba as public amenities in partnership with The Winnipeg Foundation and Trails Manitoba.
- Provided a total of $3.8 million for 557 projects undertaken by community organizations, rural and northern municipal governments through the Green Team program which resulted in the hiring of 1,283 youth to work on community development projects.
- Announced the new Building Sustainable Communities program, which replaced seven legacy, application-based grant programs with a new single window, streamlined program to support community development projects.
- Completed province-wide reassessment of more than 435 thousand properties in all 136 municipalities outside the City of Winnipeg with a market value over $100 billion.

Government: What we do and how we do things

- Balanced scorecards were introduced to communicate strategic direction and help align public service work to government priorities.
- Government is continuing its procurement modernization journey on becoming a 'smart shopper' by consolidating its spend and bundling contracts to reduce costs, with the assistance of PricewaterhouseCoopers Canada. Based on current estimates, Manitoba will realize cost savings in excess of $200 million through procurement modernization by the end of the 2024/25.
- The Province initiated a government-wide project to upgrade desktop computers to Windows 10 and all servers running on non-supported Windows platforms to ensure our computers remain secure and supportable.
- Manitoba signed the protocol for agreements for Minority-Language Education and Second-Language Instruction 2019–2020 to 2022–2023. Over the duration of this protocol, Canada and Manitoba governments will each contribute at least $12.8 million annually to cost share initiatives aimed at the development of the French-language education continuum in Manitoba.

- Continued implementation of a new operating model for Translation Services under the Francophone Affairs Secretariat that expands the use of freelance translators, resulting in a 17 per cent increase in production and improved access to information and services in French for all Manitobans.
- Introduced The Pension Benefits Amendment Act that will ensure a strong framework for pensions in Manitoba and a secure and stable retirement income for Manitobans.
- Introduced The Credit Unions and Caisses Populaires Amendment Act that will strengthen the regulatory framework for Credit Union Central of Manitoba, as well as change the oversight and governance framework for Manitoba's credit union system.
- The Province reduced its light-duty fleet by 465 vehicles and eliminated 259 pieces of heavy equipment as part of the ongoing reduction of its fleet. This has resulted in savings of $2.3 million in operating costs and an annual reduction of up to 4,000 tonnes of emissions. Automated Vehicle Locator (AVL) devices were installed in all provincial vehicles to gather data to assist in further fleet rationalization opportunities.
- Launched the Learning Fund in Spring 2019 to support specialized, flexible and innovative learning and development opportunities for government employees. In the first year, 732 individual and 250 group applications for training were approved. Based on the success of the Learning Fund pilot, the model is being expanded into summary reporting entities.
- Introduced The Public Service Act to replace The Civil Service Act that is over 134 years old. This transformative legislation modernizes expectations of the whole public service to better meet the needs of Manitobans.
- Concluded development of a new classification structure to better reflect the nature of work performed in government, and completed a review of all executive positions under the new job evaluation system.
- Successfully established the $2.5 million Manitoba Hydro Review to examine the planning, decision-making, procurement and project management processes that led to the development of the two major Manitoba Hydro projects with recommendations on how to strengthen these processes.
- Passed legislation to increase the short-term borrowing limit for Manitoba Hydro from $500 million to $1.5 billion, allowing Manitoba Hydro to save nearly $15 million annually in finance expense costs.
- Prioritized the Manitoba / Saskatchewan transmission interconnection project which resulted in securing $19 million from the Investing in Canada Infrastructure Program for the Birtle Transmission Line. The contribution helped offset this $60 million project and paved the way for new energy sales to Saskatchewan.

FINANCIAL OUTLOOK

Despite our relative successes in Manitoba, we know the COVID-19 pandemic will leave a significant public health and economic toll behind, even if a vaccine becomes widely available in 2021. Projections for the 2020/21 fiscal year currently show a deficit of nearly $3 billion. This reflects the best-case forecasted path to economic recovery as represented by the "V-shaped" scenario in our Economic and Fiscal Update of June 30. However, significant risks remain in the on-going crisis that could materially change the economic outcomes and the year-end results. To this end, the 2019/20 Public Accounts does not include the typical multi-year financial forecast given the anticipated materiality of possible changes to the fiscal picture over the coming year.

The impact of COVID-19 on health, social services and the economy will optimistically take several years to address. There is no realistic prospect of a balanced budget for several years as the government's priorities are now dedicated to stewarding Manitobans to a safe recovery and economic restart.

Manitoba is more resilient than ever and, although there is no realistic or prudent option to get back into balance in the short term, we believe we can use the same patient, steady discipline to restoring provincial finances to order in the medium term, that allowed us to achieve balance in 2019/20.

STRATEGIC INFRASTRUCTURE INVESTMENTS

The Manitoba government is committed to sustainable investment in strategic infrastructure projects as a critical component to support job creation, economic growth and building safe, healthy communities.

Strategic infrastructure includes roads and bridges, flood protection, hospitals, schools, universities and colleges, as well as municipal projects and other infrastructure. In 2018/19, strategic infrastructure was expanded to include capital spending of Manitoba Liquor and Lotteries Corporation. In 2019/20, strategic infrastructure was further expanded to include Manitoba Public Insurance Corporation capital, Special Operating Agencies capital and self-financed projects in post-secondary institutions, school divisions, regional health authorities, and other reporting entities.

With this broader scope for strategic infrastructure, we have raised our commitment for annual investments from $1 billion to $1.2 billion.

We exceeded the $1.2 billion commitment for 2019/20 but still lapsed $404 million compared to Budget. Government is taking steps to reduce the undesired lapse in strategic infrastructure spending, and has reduced the lapse by over 25% compared to the prior year. However, significant work remains to be done on our capital delivery processes to ensure budgeted amounts are fully spent. In October 2019, the government created a new Central Services department by bringing together capital project and asset management staff from multiple departments to better deliver on the $1.2 billion annual capital investment mandate and to minimize lapsing of the capital budget.

Capital centralization aims to meet the lifecycle needs of all assets from capital planning, to project delivery, to asset management and finally, to asset retirement, for all of government. It provides greater flexibility and adaptability to address changing capital needs and priorities. In addition, centralization will ensure proper oversight and supervision of all bi and tri-lateral capital-funding agreements.

By providing a more coordinated and consistent approach to infrastructure investments, we are enabling better business planning and improving the return on investment for Manitobans.

STRATEGIC INFRASTRUCTURE INVESTMENTS

As at March 31, 2020

	($ millions)	
	Budget Restated	Actual
	$	$
ROADS, HIGHWAYS, BRIDGES AND FLOOD PROTECTION		
Highways Infrastructure and Airport Runway Capital	353	336
Maintenance and Preservation – Highways	125	124
Water Related Infrastructure	65	34
Transportation Equipment and Aircraft	14	2
Maintenance and Preservation – Water	11	11
	568	507
BUILDINGS, EQUIPMENT AND TECHNOLOGY	162	83
HEALTH, EDUCATION AND HOUSING		
Health	256	182
Education	386	322
Housing	98	47
	740	551
OTHER INFRASTRUCTURE		
Municipal Grants	215	201
Northern Affairs Communities	4	1
Other Reporting Entities	18	18
	237	220
CROWN CORPORATIONS		
Manitoba Liquor and Lotteries Corporation	62	32
Manitoba Public Insurance Corporation	39	11
	101	43
TOTAL STRATEGIC INFRASTRUCTURE INVESTMENTS	1,808	1,404

Note: The 2019/20 Budget is restated to be consistent with the presentation of the 2019/20 Actual.

FOR THE YEAR ENDED MARCH 31, 2020

Public Accounts

INTRODUCTION TO THE PUBLIC ACCOUNTS OF 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 Financial Highlights, the Financial Statement Discussion and Analysis, the audited Summary Financial Statements of the Government, financial reports on the Rainy Day Fund, statutory financial reporting requirements and other supplementary schedules.

Financial Highlights – This section provides a high level overview of the financial results.

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, 2020 summary financial statements.

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 156 different agencies the Government uses to deliver its goods and services. The Government Reporting Entity (GRE) includes the government departments, 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 as 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;
- 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 and other reports specified in the Financial Administration Act.

Supplementary Schedules and Other Statutory Reporting Requirements – This document contains unaudited statements, schedules and other information.

The Public Accounts of Manitoba are available online at: www.manitoba.ca/governmentfinances

Glossary of Key Terms

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.

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.

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 who 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 Government departments, 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.

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 Government Business Enterprises. 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 enterprises, 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 the Public Sector Accounting Board – excludes government departments.

Pension Liability: Outstanding actuarially-calculated pension liability of the government and participating government organizations. The expense includes amounts funded through the voted appropriations of Government departments as well as 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.

Financial Highlights

At a Glance Financial Results	2020		2019	Change from	
	Budget	Actual	Actual	Budget	Actual
($ millions)					
Revenue	17,025	17,641	17,028	616	613
Expenses	16,392	16,599	16,177	207	422
In-Year Adjustment/Lapse*	(95)	–	–	95	–
Debt Servicing	1,088	1,037	1,000	(51)	37
Summary Net Income (Loss)	(360)	5	(149)	365	154
Net Debt	(26,113)	(25,220)	(25,095)	893	(125)

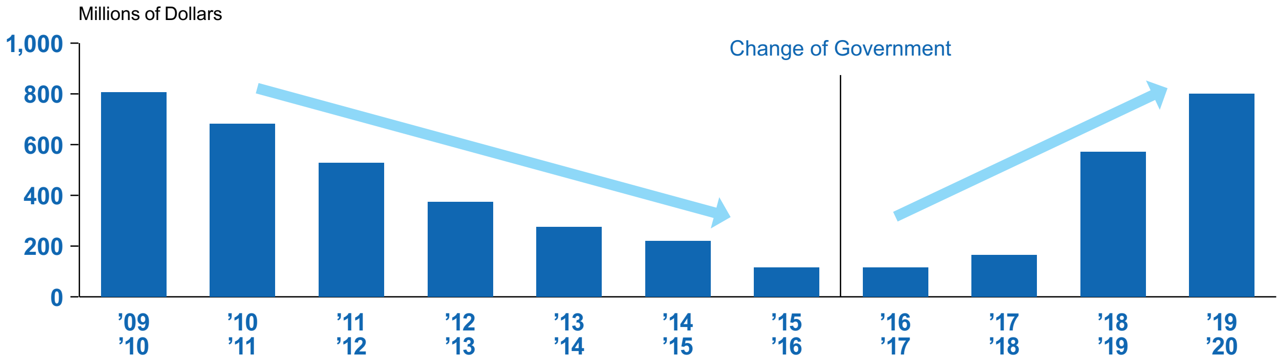
This section of the Government of Manitoba's Annual Report for the fiscal year ended March 31, 2020 contains the financial statements for the year and highlights and performance measures related to the year-end results.

The government has surpassed its Budget 2019 targets and has succeeded in producing results that come in under budget for the fourth consecutive year. The summary financial statements show a modest net income of $5 million for the fiscal year ended March 31, 2020. That is a $365 million improvement from the $360 million deficit that was estimated at the beginning of the fiscal year.

Government also stabilized the growth of net debt and exceeded its net debt target by $893 million.

- Manitoba's economy performed well in 2019/20 with stable broad based growth. Economic activity was bolstered by continued strong growth in private capital investment and a growing population. Real GDP increased by 1.1% in 2019. The subsequent COVID-19 pandemic has significantly impacted all economies and continues to disrupt financial markets, businesses, communities and households.
- Government once again surpassed its targets under Manitoba's balanced budget law, which required government to reduce the deficit by $100 million this year.
- A contribution of $228 million was added to the Rainy Day Fund, bringing the balance in the fund to $800 million. The Rainy Day Fund has reached its highest level since 2009/10 (see table below), and has surpassed the minimum legislated balance of 5% of government department operations for 2019/20. These funds will be available for future operating requirements of the Government of Manitoba.
- Though the results in 2019/20 were favourable, many challenges remain on the path to fiscal sustainability especially with the uncertainties brought by the COVID-19 pandemic.

Fiscal Stablization Account – 10-Year History



Revenues

- Revenues increased by $613 million or 3.6% over the prior year. The average annual rate of growth in provincial revenues since 2009/10 is 3.9%.
- The increase was driven by strong growth in personal income tax, own source revenue and investment earnings, major federal transfers and income from government business enterprises, most notably Manitoba Public Insurance Corporation.
- Income taxes were $265 million better than the budget, reflecting a strong economy and job growth.
- Tuition Fees were $22 million above the budget, primarily due to an increase in international student enrolment in post-secondary institutions and an increase in international tuition in school divisions.
- Manitoba Hydro's net income was $22 million below the budget, driven by lower domestic consumption and lower than anticipated electric rate increases. These decreases were partially offset by favourable water conditions resulting in higher net exports as well as lower hydro infrastructure amortization costs.
- Manitoba Liquor and Lotteries Corporation's net income was $24 million below the budget. The lower than anticipated revenue is due to impacts of COVID-19: declining attendance and ultimate closure of casinos and VLT networks in March.
- Manitoba Public Insurance Corporation's net income was $101 million above the budget, reflecting lower than forecasted claim levels as the frequency of collisions improved approximately 9% year over year. This improvement in claims activity was somewhat offset by lower than budgeted investment performance due to the market downturn in March of 2020 following the onset of the COVID-19 pandemic.

Expenses

- Expenditure growth was held to 2.6% for the year. However, expenses are $207 million over budget.
- Agriculture and Resource Development made transfers of over $86 million to a number of Environmental initiatives, including the GROW Trust, Fish and Wildlife Enhancement Fund, among many others.
- Manitoba Film and Video Production Tax Credit claims, which are reported in Sport, Culture and Heritage, came in higher than plan. 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 over-expenditures were associated with a broad range of price and volume pressures required to provide essential health services to Manitobans, including opening more personal care home and hospital beds, greater dialysis capacity, MRI openings, fee for service physician costs, additional primary care paramedics, increasing pharmacare costs, general higher staffing and agency costs, costs associated with the operation of the newly-opened Women's Hospital, new specialized and out of province treatments such as Chimeric Antigen Receptor Therapy (CAR-T), as well as accounting adjustments.
- Infrastructure incurred a write-down of the East Side Road Authority capital assets of approximately $50 million and incurred some unbudgeted amortization costs related to projects completed ahead of schedule.
- Economic Development and Training was $51 million below budget, due to cost savings as a result of vacancies and deferral of projects originally budgeted in post-secondary institutions and the department.
- Debt servicing costs were $51 million lower than budget, reflecting lower interest rates.

FOR THE YEAR ENDED MARCH 31, 2020

Financial Statement Discussion and Analysis Report

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS REPORT

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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.

Much of the following Financial Statement Discussion and Analysis includes information that pre-dates the recent COVID-19 global pandemic and, as such, the information in this document is not reflective of the current fiscal condition of the Province of Manitoba. As such, readers are urged to interpret this document along with the recent First Quarter financial results of the Province.

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 2019/20 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.

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.
- *Net Debt per Capita*: the relationship between a government's net debt and its population is widely considered to be the best measure for cross-jurisdictional review of government and financial health.
- *Annual Net Income (Loss):* the extent to which a government is spending within its means.
- *Annual Net Income (Loss)-to-Provincial GDP:* the extent to which current period results influenced net debt.

The COVID-19 pandemic was declared by the World Health Organization on March 11, 2020. The subsequent economic effects both worldwide and in Manitoba have evolved subsequent to the year ended March 31, 2020. The economic indicators that are routinely monitored by the province have indicated that the pandemic will worsen the provincial Gross Domestic Product and own-source government revenues, while at the same time increasing government's debt levels. The ratios presented in the Financial Statement Discussion and Analysis are anticipated to worsen in the medium term as a result of the pandemic as shown by provincial economic indicator trends.

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 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.

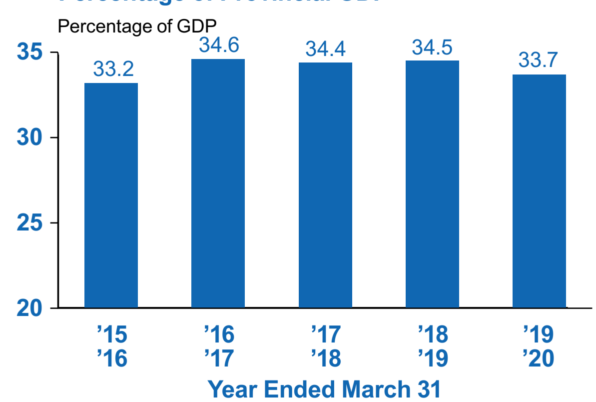
Growth in GDP must be taken into account to determine capacity to support debt. The GDP is a measure of the value of the goods and services produced in the Province during a given year. The GDP indicates the size of the provincial economy. The provincial economy grew steadily from $65,944 million in 2015/16 to $74,876 million in 2019/20 or by 13.5% during the five-year period. During this period, the annual consumer price index fluctuated between 1.2% and 2.5% annually.

Graph 1 shows that the net debt to GDP ratio at March 31, 2020 has decreased from 34.5% to 33.7%. This indicates that government is improving the management of its resources and capital investments in line with the GDP growth.

Net debt for 2019/20 included a gain in other comprehensive income (OCI) of $69 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. The COVID-19 pandemic has caused material disruption to businesses and has resulted in an economic slowdown. The government continues to assess and monitor the impact of COVID-19 on its financial condition, including the likelihood of decreased revenues and increased expenses as a direct result of the crisis. The magnitude and duration of COVID-19 is uncertain and accordingly, it is difficult to reliably measure the potential future impact for all jurisdictions including Manitoba.

Graph 1: Net Debt as a Percentage of Provincial GDP



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 2015/16, net debt-to-total annual revenue has decreased from 146.9% to 143.0%. In 2017/18, the net debt-to-total annual revenue reached a peak of 151.5% over the five-year period. The decrease from 151.5% just two years ago to 143.0% indicates that government is improving the management of its expenses and capital investments in line with its available resources.

Graph 2 shows the historical trend of net debt to annual revenues. In recent years, through strong financial stewardship, this measure has stabilized and continues to decline.

NET DEBT PER CAPITA

Net debt per capita is a measurement of the value of a government's net debt expressed in terms of the amount attributable to each citizen under the government's jurisdiction. It is commonly computed using the net debt divided by the population of the province.

Net debt per capita provides an indication of how leveraged the government is. Net debt per capita is often used to comment on the effectiveness of a government's current fiscal policy. The debt to GDP ratio often provides a more complete picture of a government's actual economic health.

Net debt per capita has ranged from $17 thousand to a high of $18.5 thousand in 2018/19. The net debt per capita has decreased slightly in 2019/20 to $18.4 thousand.

ANNUAL NET INCOME (LOSS)

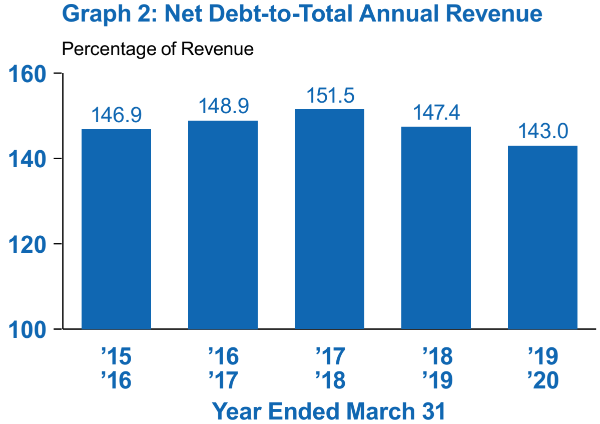
Manitoba incurred a small surplus for the year ended March 31, 2020 of $5 million. This is the first surplus since the year ended March 31, 2009. The annual net income (loss) shows the extent to which a government generates revenues more or less than its operating expenses in one fiscal year.

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

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.

Graph 2: Net Debt-to-Total Annual Revenue



Graph 3: Net Debt Per Capita

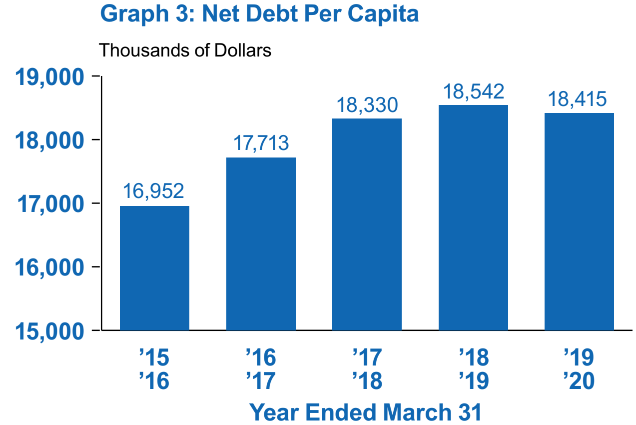


Table 1 shows the five year trend in annual net income (loss) and annual net income (loss) to provincial GDP.

Table 1: Annual Net Income (Loss)

Revenue and Expense Items	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Revenue	14,916	15,627	16,152	17,028	17,641
Total Expenses	15,848	16,416	16,846	17,177	17,636
Summary Net Income (Loss)	(932)	(789)	(694)	(149)	5
Annual Net Income (Loss) to Provincial GDP	(1.4%)	(1.2%)	(1.0%)	(0.2%)	0.0%

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:

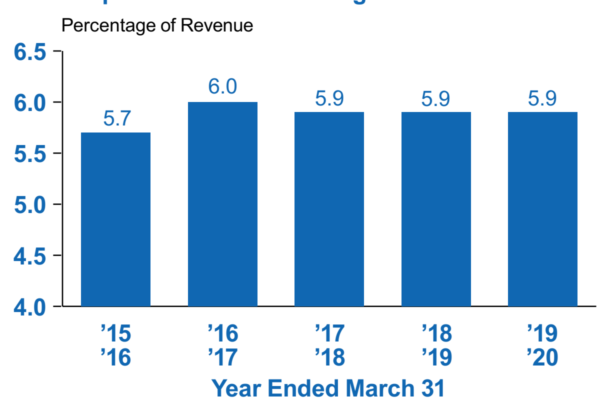
- *Public Debt Charges to Total Revenue:* the extent to which borrowing decisions constrain a government's ability to meet financial and service commitments.
- *Own-Source Revenue to Provincial GDP:* the extent to which a government is taking income out of the economy through taxation and user fees.

PUBLIC DEBT CHARGES TO TOTAL REVENUE

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.

Graph 4 shows that in 2015/16, the Government used 5.7 cents of every dollar of revenue to pay interest. In the past three years, 5.9 cents of every dollar of revenue was used.

Graph 4: Public Debt Charges to Total Revenue



OWN-SOURCE REVENUE TO PROVINCIAL GDP

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.

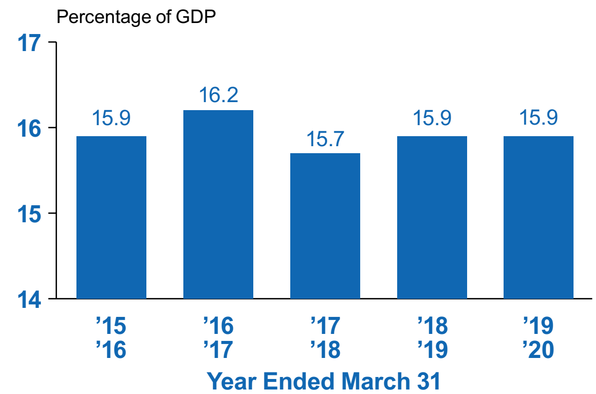
Own-source revenue does not include the net income from GBEs, given the semi-autonomous nature of their operations. Their revenues are not derived from taxation or user fees, but from the supply of products or services.

Since 2015/16, 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 2019/20, the main contributors to the increase in own-source revenue from the prior year are:

- Income taxes increased $281 million, or 6.6%.
- Fees and other revenues increased by $156 million, or 6.7%.
- Sinking funds and other earnings increased by $59 million, or 18.6%.
- Education property taxes increased by $27 million, or 3.2%.
- Retail sales tax decreased $210 million, or 8.5%.

Graph 5 shows the relationship between own-source revenue and provincial GDP. Although GDP increased from $65,944 million in 2015/16 to $74,876 million in 2019/20 or 13.5%, the rate of own-source revenues in relation to the economy has remained at 15.9% of GDP in 2019/20 versus 15.9% in 2015/16. Own-source revenues increased by $303 million or 2.6% from $11,578 million in 2018/19 to $11,881 million in 2019/20. Own-source revenues to provincial GDP has remained consistent with last year.

Graph 5: Own-Source Revenue to Provincial GDP



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.

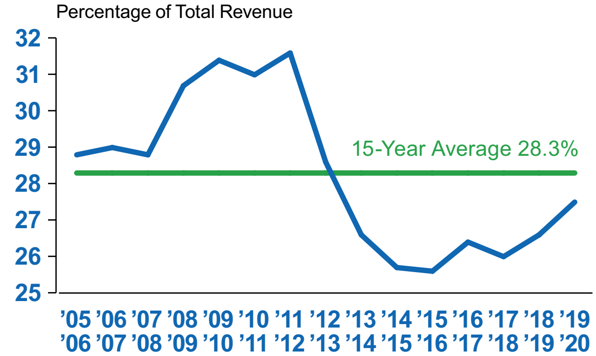
A recommended indicator for providing insight into the Government's vulnerability is Federal Transfers to Total Revenue.

FEDERAL TRANSFERS TO TOTAL REVENUE

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

Graph 6 shows the ratio of federal transfers to total provincial revenue has decreased from 28.8% in 2005/06 to 27.5% in 2019/20. Overall, Manitoba has seen a decline in total major federal transfers as a share of total revenues from a high of over 31% in 2011/12 to just over 27% in 2019/20. This decline indicates the Province is relying more on own source revenue to fund programs and services, demonstrating Manitoba's gradually increasing vulnerability based on changes in federal transfer support.

Graph 6: Federal Transfers to Total Revenue



RISKS AND UNCERTAINTIES

The impact of the COVID-19 pandemic has been significant; shuttering economies, disrupting financial markets and businesses, and creating economic and social hardships for many people globally. The Government's focus will be safely stewarding Manitobans to a safe recovery and restart. The Government continues to assess and monitor the impact of COVID-19 on its financial condition, including decreased revenues and increased expenses as a direct result of this crisis, for which it will take many years to recover. Although early estimates at the date of the preparation of the financial statements show a deficit range of $3 billion to $5 billion for the next fiscal year, the magnitude and duration of COVID-19 is still uncertain and accordingly, it is difficult to reliably measure the potential future impact on the Government's financial position and operations.

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 and corporate 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 a negative impact on the 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 or supply chain interruptions.
- Adverse economic or financial events or unusual weather patterns that can influence overall annual results.
- The performance of the 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, child and family services, or employment assistance.
- Exposure to interest rate fluctuations, foreign exchange rates and adverse changes to the credit rating.
- Multi year market corrections affecting multiple asset classes and regions impacting liquidity of investments in Government Reporting Entities and pension plans.
- Changes in accounting standards.
- Identification and quantification of the liabilities related to contaminated sites.
- Volatility of results, including amounts consolidated from other reporting entities.

VARIANCE ANALYSIS AND ASSESSMENT OF SIGNIFICANT TRENDS

Variance Analysis and Assessment of Significant Trends
Summary Net Income (Loss)

Revenue and Expense Items	2019/2020 Budget	2019/2020 Actual	2018/2019 Actual	Variance: 2019/2020 vs. 2018/2019 Actual	Variance: 2019/2020 Actual to Budget
			($ millions)		
REVENUE					
Income Taxes	4,250	4,515	4,234	281	265
Other Taxes	4,550	4,492	4,685	(193)	(58)
Fees and Other Revenue	2,271	2,497	2,341	156	226
Sinking Funds and Other Earnings	333	377	318	59	44
Total Own-Source Revenue	11,404	11,881	11,578	303	477
Government Business Enterprises	806	913	919	(6)	107
Federal Transfers	4,815	4,847	4,531	316	32
Total Revenue	17,025	17,641	17,028	613	616
EXPENSES					
Legislative Assembly	52	53	47	6	1
Executive Council	5	5	5	–	–
Agriculture and Resource Development	444	519	611	(92)	75
Central Services	191	187	179	8	(4)
Civil Service Commission	23	24	21	3	1
Conservation and Climate	153	155	167	(12)	2
Crown Services	3	2	2	–	(1)
Economic Development and Training	1,688	1,637	1,615	22	(51)
Education	2,943	2,937	2,866	71	(6)
Families	2,208	2,173	2,187	(14)	(35)
Finance	107	102	87	15	(5)
Health, Seniors and Active Living	6,674	6,873	6,570	303	199
Indigenous and Northern Relations	33	28	24	4	(5)
Infrastructure	473	526	445	81	53
Justice	699	691	656	35	(8)
Municipal Relations	403	413	385	28	10
Sport, Culture and Heritage	163	213	151	62	50
Enabling Appropriations	80	21	136	(115)	(59)
Other Appropriations	50	40	23	17	(10)
Debt Servicing	1,088	1,037	1,000	37	(51)
Total Expenses	17,480	17,636	17,177	459	156
In-Year Adjustment/Lapse*	(95)	–	–	–	95
Summary Net Income (Loss)	(360)	5	(149)	154	365

*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.

The Government ended the year with a surplus of $5 million, which is a $365 million improvement over the budgeted net loss of $360 million. In 2019/20, total revenues were $17,641 million and total expenses were $17,636 million.

REVENUE ANALYSIS

The most significant factors causing the revenue variances from budget are:

- Income taxes were $265 million over budget mainly due to a strong pre-pandemic economy that raised incomes from employment, unincorporated businesses, and corporations; all of which increased household incomes.
- Other taxes were $58 million under budget including a $31 million variance for the Retail Sales Tax due to slower than expected demand during the year combined with further decreases in March due to the economic shock brought on by the COVID-19 pandemic in late March 2020; $22 million variance in Corporation Taxes, and $11 million variance in fuel taxes due to lower consumption.
- Fees and other revenues were $226 million over budget. The Ministry of Health, Seniors and Active Living contributed $80 million of unplanned revenue generated through auxiliary services, residential rents, donations, and Workers Compensation Board (WCB) employer rebates. Post-secondary institutions received $37 million higher revenue than planned for tuition fees from international students, external sales and services, ancillary revenue, and donations received towards operating activities. Manitoba Housing and Renewal Corporation's recoveries from third parties for capital projects were ahead of plan by $28 million. An unplanned recovery of $23 million in prior year expenses under the Disaster Financial Assistance program was received. The K-12 school divisions received $16 million more international tuition revenue, First Nations student education recoveries, as well as higher revenue from private organizations and individuals than planned. The remaining $42 million increase was due to higher than planned service fees collected as a result of higher volume of activities and additional recoveries from a variety of sources.
- Sinking funds and other earnings were $44 million over budget due to higher than estimated rate of return on investments.
- Income from GBEs was $107 million over budget primarily due to a $101 million favourable variance at Manitoba Public Insurance Corporation (MPIC) resulting from better than forecasted claim levels as the frequency of collisions declined by 9.0% year over year, partially offset by a lower than budgeted investment performance due to the market downturn related to the COVID-19 pandemic in March of 2020.
- Federal transfers were $32 million over budget primarily due to $16 million in the Canada Health Transfer (CHT) and $17 million in shared cost transfers.

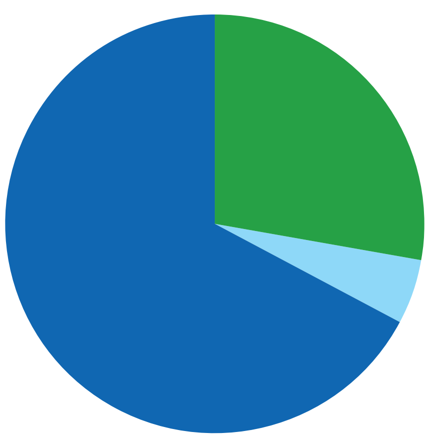
Revenue trend analysis provides users with information about significant changes in revenue over time and between sources, enabling users to evaluate past performance and assess potential implications for the future. The following section outlines the revenue trends in Manitoba.

Revenue Trend Analysis by Source

Revenue Source	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Income Taxes	3,777	3,958	3,985	4,234	4,515
Retail Sales Tax	2,269	2,301	2,444	2,472	2,262
Fuel Taxes	332	336	344	347	338
Levy for Health and Education	333	343	356	376	385
Education Property Taxes	711	793	827	847	874
Other Taxes	605	623	617	643	633
Fees and Other Revenue	2,226	2,329	2,364	2,341	2,497
Federal Transfers	3,820	4,128	4,200	4,531	4,847
Net Income from Government Business Enterprises	618	589	758	919	913
Sinking Funds and Other Earnings	225	227	257	318	377
Total Revenue	14,916	15,627	16,152	17,028	17,641

The following chart illustrates the Government's main revenue sources for 2019/20. The majority, or 67%, of revenue was generated by Manitoba's own-sources.

Sources of Revenue for the Year ended March 31, 2020



Total revenue in 2019/20 was $17,641 million, an increase of $613 million or 3.6% from 2018/19. The most significant factors causing the revenue variances from the previous year are:

- An increase of $88 million in taxes primarily due to a $281 million increase in personal and corporate taxable income tax, partially offset by a decrease of $193 million primarily reflecting the 1.0% rate reduction of the retail sales tax to 7% in July 2019.
- An increase of $156 million or 6.7% in fees and other revenue, is due to an increase of $10 million in water power rentals from Manitoba Hydro, $22 million in tuition fees due to increased enrollment and tuition rates, and $124 million increase in service fees and other miscellaneous charges of which $100 million was derived from the controlled entities at Health, Seniors and Active Living. Additional revenue at the health entities was collected this year through auxilliary services, residential rents, donations, and WCB employer rebates. There was an increase in revenue in the K-12 Education ministry this year of $16 million for recoveries for First Nations students as well as increased revenue from private organizations and individuals and proceeds from the sale of

Chapman School. The Manitoba Development Corporation has increased its deposit retention by $8 million as a result of a change in the Business Investor Stream of the Provincial nominee program.

- An increase of $316 million or 7.0% in federal transfers reflects annual budgeted increases for Equalization and Canada Health and Social Transfers.
- A decrease of $6 million in net income from GBEs primarily due to a $21 million increase at MPIC and $5 million increase at Deposit Guarantee Corporation, offset by a $22 million decrease at Manitoba Hydro and $10 million decrease at Manitoba Liquor and Lotteries Corporation.
  - $21 million increase at MPIC is due to the extension of the year end from February 28 to March 31, thereby including 13 months of operations, offset by a lower investment performance due to the market downturn due to the COVID-19 pandemic in March of 2020.
  - $22 million decrease at Manitoba Hydro primarily due to lower customer usage and weather impacts as well as higher financing and amortization costs due to the full year impact of the Bipole III project being in-service, offset by higher net export revenues resulting from favourable water conditions, customer growth, and the full year impact of the June 1, 2018 electric rate increase.
  - $10 million decrease at Manitoba Liquor and Lotteries Corporation is due to impacts of COVID-19: casino revenues and VLT revenues in March 2020 were 70% and 40% lower than March 2019 respectively.
- An increase of $59 million of 18.6% in sinking funds and other earnings which reflects higher guarantee fees as a result of increased Manitoba Hydro borrowings with the Province as well as higher earnings on money market investments.

EXPENSE ANALYSIS

The most significant factors causing the expense variances from budget are the following:

- Agriculture and Resource Development expenses were $75 million over budget primarily due to investments in new green initiatives in the department announced at the end of the fiscal year.
- Economic Development and Training expenses were $51 million under budget due to salary under expenditures as a result of vacancies and cost savings at post-secondary institutions.
- Families expenses were $35 million under budget due to vacancies in the department and lower than anticipated Employment Insurance Assistance (EIA) caseloads.
- Health, Seniors and Active Living incurred $199 million in over-expenditures that were associated with a broad range of price and volume pressures required to provide essential health services to Manitobans, including opening more personal care home and hospital beds, greater dialysis capacity, MRI openings, fee for service physician costs, additional primary care paramedics, increasing pharmacare costs, general higher staffing and agency costs, costs associated with the operation of the newly-opened Women's Hospital, new specialized and out of province treatments such as Chimeric Antigen Receptor Therapy (CAR-T), as well as accounting adjustments.
- Infrastructure expenses were $53 million over budget primarily due to the write-down of East Side Road Authority tangible capital assets, which included non-capital costs for "capacity building allowances", and unplanned amortization due to the early completion of projects.

- Sport, Culture and Heritage expenses were $50 million over budget due to higher uptake of the Film and Video Production Tax Credit, Book Publishing Tax Credit, and Cultural Industries Tax Credit, and other accounting adjustments.
- Enabling Appropriations expenses were $59 million under budget due to Internal Service Adjustments and a lapse of appropriations.
- Debt Servicing costs were $51 million under budget primarily due to lower than anticipated costs for interest.

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.

Expense Trend Analysis by Function

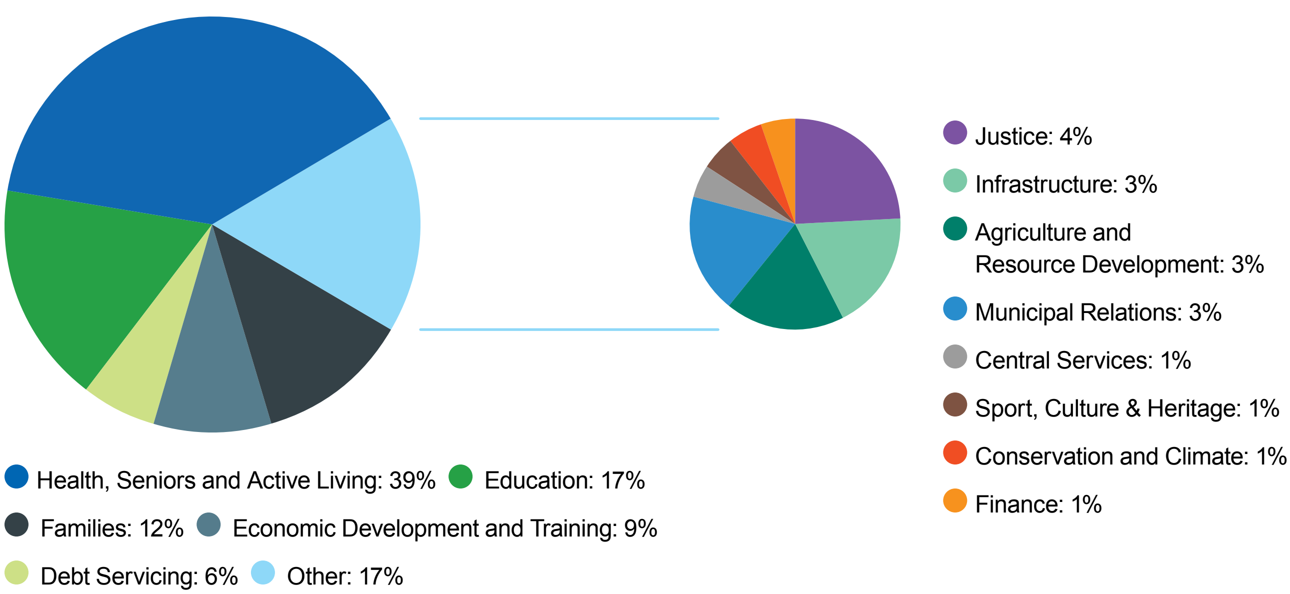
Expense by Function	**2018/2019 Actual**	**2019/2020 Actual**
	($ millions)	
Legislative Assembly	47	53
Executive Council	5	5
Agriculture and Resource Development	611	519
Central Services	179	187
Civil Service Commission	21	24
Conservation and Climate	167	155
Crown Services	2	2
Economic Development and Training	1,615	1,637
Education	2,866	2,937
Families	2,187	2,173
Finance	87	102
Health, Seniors and Active Living	6,570	6,873
Indigenous and Northern Relations	24	28
Infrastructure	445	526
Justice	656	691
Municipal Relations	385	413
Sport, Culture and Heritage	151	213
Enabling Appropriations	136	21
Other Appropriations	23	40
Debt Servicing	1,000	1,037
Total Expenses by Function	17,177	17,636

Total expenses were $17,636 million in 2019/20, an increase of $459 million or 2.7% from 2018/19. The most significant factors causing the expense variances from the previous year are the following:

- Agriculture and Resource Development expenses decreased by $92 million or 15.1%, primarily due to lower transfers to the trusts administered by Manitoba Agricultural Services Corporation.
- Education expenses increased by $71 million or 2.5%, due to increased salary requirements for new staff, merit increments and other salary increases, as well as increased transportation costs and minor capital requirements at the school divisions.
- Health, Seniors and Active Living increased by $303 million or 4.6%. These increases were associated with a broad range of price and volume pressures required to provide essential health services to Manitobans, including opening more personal care home and hospital beds, greater dialysis capacity, MRI openings, fee for service physician costs, additional primary care paramedics, increasing pharmacare costs, general higher staffing and agency costs, costs associated with the operation of the newly-opened Women's Hospital, new specialized and out of province treatments such as Chimeric Antigen Receptor Therapy (CAR-T), as well as accounting adjustments.
- Infrastructure expenses increased by $81 million or 18.2% primarily due to the write-down of $50 million of East Side Road Authority tangible capital assets, which included non-capital costs for "capacity building allowances", and funding provided to the Canadian Red Cross for evacuees of the 2011 spring flood.
- Justice expenses increased by $35 million or 5.3% primarily due to increased policing cost for the RCMP.
- Municipal Relations expenses increased by $28 million or 7.3% due to increased grants to The Winnipeg Foundation trust, Trails Manitoba, Winnipeg Art Gallery, and Assiniboine Park Conservancy. There were also increased net disbursements to municipalities related to the operation of water treatment plants.
- Sport, Culture and Heritage expenses increased by $62 million or 41.1%, primarily due to higher uptake of arts and culture tax credits, and other accounting charges.
- Enabling Appropriations expenses decreased by $115 million or 84.6% primarily due to non-recurring contributions to The Winnipeg Foundation for the Conservation Trust.
- Debt Servicing expenses increased by $37 million or 3.7% due to increased debt levels over the prior fiscal year.

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

Expenses by Function



The health, education, families, and economic development and training components comprise 77.2% of the total operating expenses.

Program expenses, which represent total expenses excluding the cost of servicing debt, increased 2.6% from 2018/19, primarily as a result of increases in the ministries of Health, Seniors and Active Living, Education, Infrastructure, and Sport, Culture and Heritage.

In 2019/20, total expenses to GDP amounted to 23.6% (2018/19 – 23.6%) while program expenses to GDP amounted to 22.2% (2018/19 – 22.3%) of GDP.

Total expenses as a percentage of total revenues was 100.0% in 2019/20. An expense ratio of more than 100.0% means that expenses have exceeded revenues, resulting in a deficit. A ratio of 100.0% indicated that expenses and revenues were matched.

Expense by Type

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

Expense Trend Analysis by Type

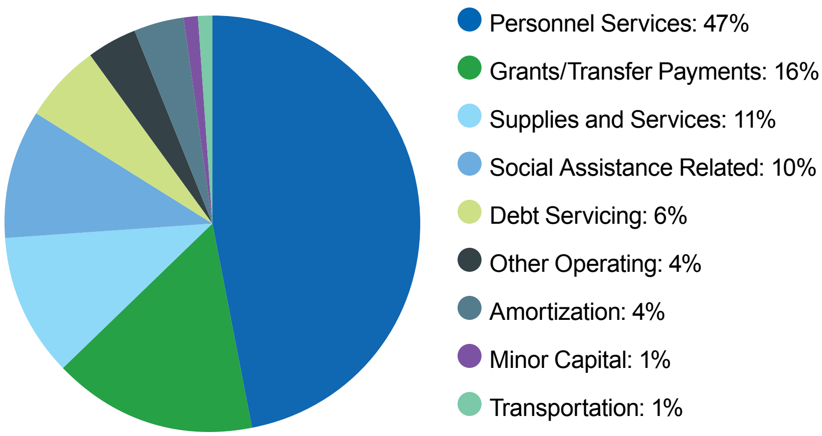
Expense by Type	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Personnel Services	7,790	8,015	8,057	8,070	8,241
Grants/Transfer Payments	2,202	2,333	2,418	2,490	2,776
Transportation	152	150	155	167	182
Communications	74	77	75	72	75
Supplies and Services	1,820	1,941	1,871	1,954	2,035
Social Assistance Related	1,433	1,490	1,785	1,855	1,728
Other Operating	772	706	704	745	711
Debt Servicing	855	930	952	1,000	1,037
Minor Capital	115	94	116	101	106
Amortization	635	680	713	723	745
Total Expenses by Type	15,848	16,416	16,846	17,177	17,636

Overall spending by type remained consistent from 2018/19. Personnel services, the Province's largest expense, as a percentage of total expenses decreased slightly to 46.7% (2018/19 – 47.0%), supplies and services increased to 11.5% (2018/19 – 11.4%) and grants/transfer payments increased to 15.7% (2018/19 – 14.5%).

Debt servicing costs were $1.037 billion (2018/19 – $1 billion) as at March 31, 2020, an increase of 3.7%.

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

Expenses by Type



Financial Assets

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

Financial Assets Trend Analysis

Financial Assets	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Cash and Cash Equivalents	2,415	2,778	1,725	2,720	2,267
Temporary Investments	194	376	564	585	561
Accounts Receivable and Advances	1,606	1,771	1,849	1,867	1,857
Inventories	83	67	50	42	30
Portfolio Investments	1,567	1,461	1,649	1,563	1,798
Loans and Advances	1,447	1,458	1,411	1,529	1,604
Equity in Government Business Enterprises	2,716	2,839	2,957	3,035	3,411
Equity in Government Business Partnerships	19	19	19	20	20
Total Financial Assets	10,047	10,769	10,224	11,361	11,548

Financial assets increased by $187 million or 1.6%, from 2018/19 overall. This is primarily due to an increase in portfolio investments of $235 million and an increase in equity in government business enterprises of $376 million. This was partially offset by a decrease in cash and cash equivalents of $453 million.

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.

The 2019/20 total liabilities increased by $312 million or 0.9% from 2018/19. Borrowings have increased by $106 million or 0.4% from 2018/19. The pension liability increased by $183 million or 6.3% from 2018/19. Accounts payable and accrued liabilities increased by $90 million or 2.5% and restricted inflows, referred to as unearned revenue, experienced a decrease of $61 million or 8.6%.

Liabilities Trend Analysis

Liabilities	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Borrowings	25,415	27,397	27,350	29,166	29,272
Accounts Payable and Accrued Liabilities	3,780	3,675	4,202	3,648	3,738
Unearned Revenues	385	396	396	711	650
Pension Liability	2,354	2,557	2,726	2,914	3,097
Other Liabilities	19	20	20	17	11
Total Liabilities	31,953	34,045	34,694	36,456	36,768

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

Net Debt and Accumulated Deficit

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 increases in 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.

Net debt for 2018/19 is restated as $25,095 and increased marginally to $25,220 as at March 31, 2020.

The main reasons for the 2019/20 increase in net debt were:

• Net tangible capital assets acquisitions of $187 million;

• Increase in other non-financial assets of $12 million;

Offset by:

• Other Comprehensive Income gain of $69 million;

• The 2019/20 operating surplus of $5 million.

Net debt as at March 31, 2020 is lower than the budget by $893 million.

The accumulated deficit has decreased by $74 million, or 0.7%, from 2018/19, as a result of an operating surplus of $5 million and other comprehensive income of $69 million.

Net Debt and Accumulated Deficit Trend Analysis

Net Debt and Accumulated Deficit	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Financial Assets	10,047	10,769	10,224	11,361	11,548
Less: Liabilities	(31,953)	(34,045)	(34,694)	(36,456)	(36,768)
Total Net Debt	(21,906)	(23,276)	(24,470)	(25,095)	(25,220)
Non-Financial Assets	12,625	13,325	13,688	13,939	14,138
Total Accumulated Deficit	(9,281)	(9,951)	(10,782)	(11,156)	(11,082)

Non-financial Assets including Tangible Capital Assets

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

Non-Financial Assets Trend Analysis

Non-financial Assets	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Tangible capital assets	12,490	13,190	13,550	13,796	13,983
Prepaid expenses	59	58	64	72	76
Inventories	76	77	74	71	79
Total Non-financial Assets	12,625	13,325	13,688	13,939	14,138

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.

At March 31, 2020, non-financial assets were $199 million, or 1.4% higher than 2018/19. The majority of Government's non-financial assets are tangible capital assets. The net book value of tangible capital assets increased by $187 million from 2018/19. Total tangible capital assets additions were $1,025 million for 2019/20 (2018/19 – $1,006 million). Additions include investments in health and education facilities and other land based infrastructure such as roads, bridges, water control structures, and parks.

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

Tangible Capital Assets Trend Analysis

Tangible Capital Assets	2015/2016 Actual	2016/2017 Actual	2017/2018 Actual	2018/2019 Actual	2019/2020 Actual
			($ millions)		
Land	289	304	297	306	329
Buildings and Leasehold Improvements	5,155	5,470	5,494	5,974	6,309
Vehicles and Equipment	808	771	769	750	744
Computer Hardware and Software	330	332	278	368	359
Assets Under Construction	1,229	1,290	1,426	956	704
Infrastructure	4,679	5,023	5,286	5,442	5,538
Total Tangible Capital Assets	12,490	13,190	13,550	13,796	13,983

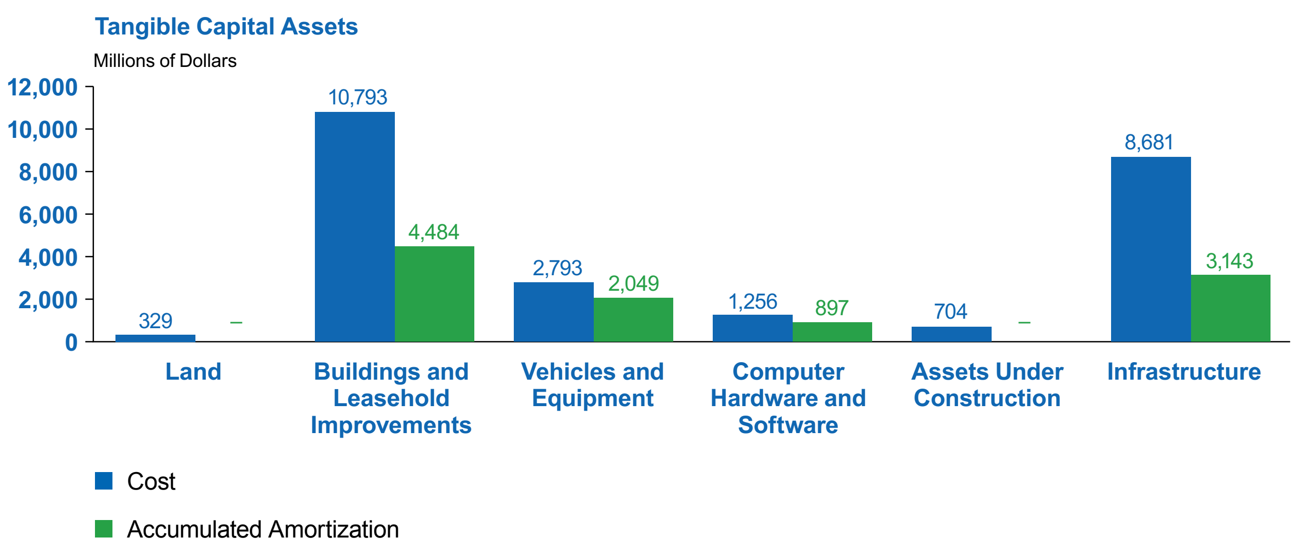
Government capitalizes the gross cost of its tangible capital assets. Recoveries from other governments related to capital projects are recognized as revenue in the year the capital asset is purchased or constructed. Crown land transferred to the Province is not reported in the financial statements as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

The net book value of tangible capital assets totalled $13,983 million at the end of 2019/20 (2018/19 – $13,796 million). Buildings and leasehold improvements include provincially-owned schools, health facilities, and public service buildings.

The total cost of tangible capital assets has increased steadily, from $20,821 million in 2015/16 to $24,556 million in 2019/20, demonstrating that the Province has more assets available to provide services in future periods.

Infrastructure assets include roads, bridges, water control structures, and parks.

The following chart illustrates tangible capital assets by class and includes the related accumulated amortization as of March 31, 2020.



FOR THE YEAR ENDED MARCH 31, 2020

Summary Financial Statements

SUMMARY FINANCIAL STATEMENTS

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Manitoba

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, 2020, 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 Ann Ulusoy

Ann Ulusoy, CPA, CMA
Provincial Comptroller

September 25, 2020

Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

Opinion

We 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, 2020, 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 flow for the year then ended, and notes to the summary financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying summary financial statements present fairly, in all material respects, the consolidated financial position of the Province as at March 31, 2020, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Qualified Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Summary Financial Statements* section of our report. We are independent of the Province in accordance with the ethical requirements that are relevant to our audit of the summary financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2020 and March 31, 2019.

In our 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, 2020 and March 31, 2019. 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 $647 million, and accumulated deficit and net debt would each have decreased by $647 million, the net income from government business enterprises would have increased by $48 million, other comprehensive income would have decreased by $33 million, and the annual surplus would have increased by $48 million.

Additionally, the prior 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 loss would have decreased by $27 million, and the annual deficit would have increased by $53 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, 2020 and March 31, 2019.

In our opinion, the Trusts are assets under the control of the Province, and the financial position and results of operations should be consolidated into the summary financial statements for the years ended March 31, 2020 and March 31, 2019. 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 $513 million, the accounts payable, accrued charges, provisions and unearned revenue would have increased by $33 million, and accumulated deficit and net debt would each have decreased by $513 million, the Agriculture and Resource Development expenses would have increased by $19 million, the investment income would have increased by $9 million, and the annual surplus would have decreased by $10 million.

Additionally, the prior 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, accumulated deficit and net debt would each have decreased by $490 million, the Agriculture and Resource Development 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.

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 $43 million in the current year, and for the prior year would have an annual surplus of $23 million. The accumulated deficit would be $9,922 million at March 31, 2020, and $10,034 million at March 31, 2020.

Combined impact on the annual deficit or surplus		
	2020 ($ million)	2019 ($ million)
Annual surplus (deficit) as presented	**5**	**(149)**
Operating (loss) surplus of Workers Compensation Board	48	(53)
Net (loss) income of MASC trusts	(10)	225
Annual surplus in accordance with Canadian public sector accounting standards	**43**	**23**
Combined impact on the ending accumulated deficit		
	2020 ($ million)	2019 ($ million)
Accumulated deficit as presented	**(11,082)**	**(11,156)**
Equity of Workers Compensation Board	647	632
MASC Trust Assets	513	490
Accumulated deficit in accordance with Canadian public sector accounting standards	**(9,922)**	**(10,034)**

Other Information

The Province is responsible for the other information. The other information comprises the Province of Manitoba Annual Report (the Annual Report), but does not include the summary financial statements and our auditor's report thereon.

Auditor General
MANITOBA

Our opinion on the summary financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the summary financial statements, our 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 our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

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. We have concluded that the other information is materially misstated for the same reasons with respect to these amounts and other items in the Annual Report 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 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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the summary financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We also provide those charged with governance with a statement that we 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 our independence, and where applicable, related safeguards.

"Original document signed by"

Winnipeg, Manitoba
September 25, 2020

Tyson Shtykalo, CPA, CA
Auditor General

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2020

SCHEDULE		2020 ($ millions)	2019 Restated ($ millions)
	FINANCIAL ASSETS		
	Cash and cash equivalents	2,267	2,720
	Temporary investments (Note 2)	561	585
1	Amounts receivable	1,857	1,867
	Inventories for resale	30	42
	Portfolio investments (Note 3)	1,798	1,563
2	Loans and advances	1,604	1,529
3	Equity in government business enterprises (Note 4)	3,411	3,035
	Equity in government business partnerships (Note 5)	20	20
	Total Financial Assets	11,548	11,361
	LIABILITIES		
4	Borrowings	29,272	29,166
5	Accounts payable, accrued charges, provisions and unearned revenue	4,399	4,376
6	Pension liability (Note 6)	3,097	2,914
	Total Liabilities	36,768	36,456
	NET DEBT	(25,220)	(25,095)
	NON-FINANCIAL ASSETS		
	Inventories held for use	79	71
	Prepaid expenses	76	72
7	Tangible capital assets	13,983	13,796
	Total Non-Financial Assets	14,138	13,939
	ACCUMULATED DEFICIT	(11,082)	(11,156)

Contingencies (Note 7)
Contractual Obligations (Note 8)
Contractual Rights (Note 18)

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

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE

For the Year Ended March 31, 2020

	($ millions)		
	2020 Budget Restated	2020	2019 Restated
REVENUE			
Income taxes:			
Corporation income tax	506	612	606
Individual income tax	3,744	3,903	3,628
Other taxes:			
Corporations taxes	329	307	321
Fuel taxes	349	338	347
Land transfer tax	91	93	92
Levy for health and education	381	385	376
Retail sales tax	2,293	2,262	2,472
Tobacco tax	217	220	217
Other taxes	12	13	13
Education property taxes	878	874	847
Fees and other revenue:			
Fines and costs and other legal	58	58	59
Minerals and petroleum	14	17	17
Automobile and motor carrier licences and fees	191	194	192
Parks: Forestry and other conservation	24	25	26
Water power rentals	107	113	103
Service fees and other miscellaneous charges	1,513	1,704	1,580
Tuition fees	364	386	364
Federal transfers:			
Equalization	2,255	2,255	2,037
Canada Health Transfers	1,474	1,490	1,413
Canada Social Transfers	533	532	518
Shared cost and other transfers	553	570	563
Net income from government business enterprises (Schedule 3)	806	913	919
Sinking funds and other earnings	333	377	318
Total Revenue (Schedule 9)	17,025	17,641	17,028

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, 2020

	($ millions)		
	2020 Budget Restated	2020	2019 Restated
Total Revenue carried forward	17,025	17,641	17,028
EXPENSES			
Legislative Assembly	52	53	47
Executive Council	5	5	5
Agriculture and Resource Development	444	519	611
Central Services	191	187	179
Civil Service Commission	23	24	21
Conservation and Climate	153	155	167
Crown Services	3	2	2
Economic Development and Training	1,688	1,637	1,615
Education	2,943	2,937	2,866
Families	2,208	2,173	2,187
Finance	107	102	87
Health, Seniors and Active Living	6,674	6,873	6,570
Indigenous and Northern Relations	33	28	24
Infrastructure	473	526	445
Justice	699	691	656
Municipal Relations	403	413	385
Sport, Culture and Heritage	163	213	151
Enabling Appropriations	80	21	136
Other Appropriations	50	40	23
Debt Servicing	1,088	1,037	1,000
Total Expenses (Schedule 9)	17,480	17,636	17,177
In - Year Adjustment/Lapse*	(95)	-	-
NET INCOME (LOSS) FOR THE YEAR	(360)	5	(149)

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

The 2019/20 budget has been restated on the same basis as the 2019/20 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.

CONSOLIDATED STATEMENT OF ACCUMULATED DEFICIT

For the Year Ended March 31, 2020

	($ millions) 2020	2019 Restated
Opening accumulated deficit, as previously reported	(11,156)	(10,615)
Transition of post-secondary institutions (PSI) to public sector accounting standards without the 4200 series (Note 19A)	-	(88)
Correction of an accounting error to pension liabilities of post-secondary institutions (Note 19B)	-	(18)
Change in accounting policy for library books (Note 1.D(vii))	-	(61)
Opening accumulated deficit, as restated	(11,156)	(10,782)
Other comprehensive income (loss) (Schedule 3)	69	(225)
Net income (loss) for the year	5	(149)
Closing accumulated deficit	(11,082)	(11,156)

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, 2020

	2020 Budget Restated	($ millions) 2020	2019 Restated
Net income (loss) for the year	(360)	5	(149)
Tangible capital assets (Schedule 7)			
Acquisition of tangible capital assets	(1,273)	(1,025)	(1,006)
Amortization of tangible capital assets	731	745	723
Disposal of tangible capital assets	-	93	39
Net acquisition of tangible capital assets	(542)	(187)	(244)
Other Non-Financial Assets			
Decrease (Increase) in inventories	-	(8)	3
Decrease (Increase) in prepaid expenses	-	(4)	(10)
Net acquisition of other non-financial assets	-	(12)	(7)
Other comprehensive income (loss) (Schedule 3)	-	69	(225)
(Increase) in Net Debt	(902)	(125)	(625)
Net Debt, beginning of year, as previously reported	(25,211)	(24,999)	(24,360)
Transition of PSI to PSAS without 4200 series (Note 19)	-	(96)	(110)
Net Debt, beginning of year, as restated	(25,211)	(25,095)	(24,470)
Net Debt, end of year	(26,113)	(25,220)	(25,095)

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, 2020

	($ millions)	
	2020	2019 Restated
Cash and cash equivalents provided by (used in)		
Operating Activities		
Net income (loss) for the year	5	(149)
Changes in non-cash items:		
Temporary investments	24	(21)
Amounts receivable	-	(36)
Valuation allowance	34	15
Inventories	4	11
Prepaids	(4)	(8)
Accounts payable, accrued charges, provisions and unearned revenue	23	(242)
Pension liability	183	188
Amortization of foreign currency fluctuation	4	6
Amortization of debt discount	5	(8)
Unamortized losses on derivative contracts	12	(12)
Loss on disposal of tangible capital assets	93	39
Amortization of tangible capital assets	745	723
	1,128	506
Other comprehensive income (loss) (Schedule 3)	69	(225)
Changes in equity in government business enterprises and government business partnerships	(376)	(64)
Cash provided by operating activities	821	217
Capital Activities		
Acquisition of tangible capital assets	(1,025)	(1,006)
Cash used in capital activities	(1,025)	(1,006)
Investing Activities		
Investments purchased	(3,691)	(4,662)
Investments sold or matured	2,054	2,299
Cash used in investing activities	(1,637)	(2,363)
Financing Activities		
Debt issued	4,713	7,281
Debt redeemed	(3,325)	(3,118)
Cash provided by financing activities	1,388	4,163
Increase in cash and cash equivalents	(453)	1,011
Cash and cash equivalents, beginning of year	2,720	1,709
Cash and cash equivalents, end of year	2,267	2,720
Supplementary information:		
Interest received	374	296
Interest paid	1,023	994

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

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.

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. A liability is recorded to the extent that a transfer gives rise to an obligation that meets the definition of a liability in accordance with the criteria in PS 3200 Liabilities.

(3) *Externally restricted assets and revenues*

Externally restricted inflows are recognized as revenue in the period in which expenses are incurred for the purposes specified. Externally restricted inflows received before the expenses are incurred are reported as a liability.

(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.

(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 unearned 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 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. Inventories for resale also includes 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, including GBEs, as a result of transactions and events occurring prior to the year end. 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 reflect the foreign currency fluctuation at the issue date and are recorded through the unamortized foreign currency fluctuation account. They are 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. The 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.

(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. Liabilities for severance, 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. A liability is extrapolated upon the expected future utilization of current 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.

The Province's ongoing efforts to assess contaminated sites are expected to result in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments, including mine sites. Any changes to the Province's liabilities for contaminated sites will be accrued in the year in which they are assessed as likely and measurable.

(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 that 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. It also includes 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 in the cost of the asset, provided the 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	11 to 15 years
Computer hardware, software licences	3 to 15 years

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) *Change in Accounting Policy*

Effective April 1, 2019, the Government changed its accounting policy to record library books as expenditures. Previously, they were recorded as tangible capital assets. The Government undertook a review of library books and determined that the majority of the balance either do not meet the capitalization thresholds or are considered intangibles according to PS 1000. This change in accounting policy was applied retroactively, resulting in a $61 million increase in the opening accumulated deficit.

(viii) *Future Changes in Accounting Standards*

PSAB has issued new accounting standards effective April 1, 2022:

- *PS 1201 Financial Statement Presentation* replaces PS 1200 with general reporting principles for disclosure of information and is effective in the period PS 2601 and PS 3450 are adopted
- *PS 2601 Foreign Currency Translation* replaces PS 2600 with revised accounting and reporting principles for transactions that are denominated in a foreign currency
- *PS 3041 Portfolio Investments* replaces PS 3040 with revised accounting and reporting principles for portfolio investments and is effective in the period PS 2601 and PS 3450 are adopted
- *PS 3280 Asset Retirement Obligations* defines and provides guidance for accounting and reporting retirement obligations associated with tangible capital assets and includes the withdrawal of *PS 3270 Solid Waste Landfill Closure and Post-Closure Liability*
- *PS 3450 Financial Instruments* defines and provides guidance for accounting and reporting all types of financial instruments including derivatives

These new accounting standards have not been applied in preparing these consolidated financial statements. The Province is currently assessing the impact of these new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined. Earlier adoption is permitted.

(ix) *Classification by Sector*

The Province reports operational results under the following sectors: health, education and economic development, families, community 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 and economic development sector includes all education services including elementary, secondary and post-secondary services, including the pension related expenses associated with public schools and post-secondary institutions. It includes employment and training programs. It also includes other education services such as skills, trades and workplace-based training programs and the advancement of economic development opportunities aligned with labour market needs.

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 and resource development sector includes the promotion, development and conservation of the Province's natural resources. It also includes the operation and maintenance of transportation systems such as 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.

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, and accrual for federal shared cost programs. It also includes 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, workers compensation claims and advances and provision for losses on guarantees.

While best estimates are used for reporting items, it is reasonably possible that changes in future conditions, occurring within one fiscal year could require a material change in the amounts recognized and disclosed. The amount of income tax attributable to the year can change as a result of reassessments in subsequent years. The estimates at the time are based on the best information available at the time of preparation of the financial statements. The uncertainty due to the COVID-19 pandemic and variability of the final amounts attributed to the year cannot be reasonably determined.

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 the 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.

2. Temporary Investments

	($ millions) 2020	2019
Temporary investments	561	585

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) 2020	2019
Sinking funds	974	741
Other investments	824	822
	1,798	1,563

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, 2020, the market value of portfolio investments was $2,517 million (2019 – $2,011 million).

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) 2020		2019	
	Book Value	Fair Value	Book Value	Fair Value
Government of Canada, direct and guaranteed	31	32	38	39
Provincial, direct and guaranteed	828	803	591	587
Municipal	111	111	110	111
Corporate	4	4	2	3
	974	950	741	740

Investment revenue earned on sinking funds during the year was $44 million (2019 – $28 million).

The sinking funds are allocated as follows:

	($ millions) 2020	2019
Sinking funds	977	745
Less: Uninvested portion of sinking funds held in cash and cash equivalents	(3)	(4)
Total sinking funds held in portfolio investments	974	741

OTHER INVESTMENTS

	($ millions) 2020	2019
Guaranteed investment certificates	11	25
Bonds – Government of Canada, provincial and municipal	551	302
Bonds – Corporate	170	157
Equity investments	37	246
Investments in real estate	55	92
	824	822

As at March 31, 2020 the market value of other investments was $1,567 million (2019 – $1,272 million). Other investments earned $55 million during the year (2019 – $25 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, 2020
Manitoba Liquor and Lotteries Corporation	March 31, 2020
Deposit Guarantee Corporation of Manitoba	December 31, 2019
Manitoba Public Insurance Corporation (MPIC)	March 31, 2020

MPIC's financial statements for the 2019/20 fiscal period includes 13 months ending March 31, 2020.

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) 2020	2019
Restricted Equity in Government Business Enterprises:		
Deposit Guarantee Corporation of Manitoba	365	327
Manitoba Hydro-Electric Board	2,394	2,261
Manitoba Public Insurance Corporation	634	430
	3,393	3,018
Unrestricted Equity in Government Business Enterprises:		
Manitoba Liquor and Lotteries Corporation	5	5
Manitoba Public Insurance Corporation	13	12
	18	17
Equity in Government Business Enterprises	3,411	3,035

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, 2020 is $20 million (2019 – $20 million). The Province's share of the operating results for the year ended March 31, 2020 was $ nil (2019 – $ nil) and is included in fees and other revenues.

The condensed supplementary financial information of NPDC is as follows:

	($millions) 2020	2019
Property, plant and equipment and investment in properties and infrastructure enhancements	77	76
Short-term investments and other assets	6	7
	83	83
Deferred contributions from shareholders	10	10
Long-term mortgage	9	9
Current and other liabilities	4	5
	23	24
Net equity	60	58
	83	82
Comprehensive income		
Revenues	17	16
Expenses	13	13
Operating income before amortization	4	3
Amortization	(3)	(2)
Net income for the year	1	1

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 trusteed 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 that are set aside by the Government in an irrevocable trust. As of March 31, 2020, the pension liability for the Civil Service Superannuation Plan was $1,010 million (2019 – $958 million) and the pension liability for the Teachers' Pension Plan was $1,901 million (2019 – $1,773 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.

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 $198 million (2019 – $188 million). At December 31, 2019 the Plan had an excess of net assets available for benefits over pension obligations of $991 million (December 31, 2018 – $178 million).

As at March 31, 2020, the total pension liability being reflected in the summary financial statements was $3,097 million (2019 – $2,914 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 formula 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 CSSF is a joint trusteed 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, 2019 audited financial statements of CSSF. At December 31, 2019, 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 $1,434 million (2018 – $1,892 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 0.5% 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.

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 disbursal will increase the 2019 COLA by 0.20%, resulting in a total COLA of 1.23% effective July 1, 2019. 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 disbursal period. Actual increases will depend on the economic and demographic conditions that occur during the disbursal 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 COLA.

As the Teachers' Pension Plan is a joint trusteed 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, 2019 audited financial statements of Teachers' Retirement Allowances Fund (Fund). At December 31, 2019, after accounting for provincial pension assets held in trust, the Fund had an estimated accrued net surplus of $1,089 million (2018 – net obligation of $ 672 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 MLAs 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 8.0% 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 plan's liabilities. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

(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 trusteed 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.

The December 2017 funding valuation indicated that the University of Manitoba Pension Plan (1993) was in a funding deficiency position. The University is funding the deficiency over fifteen years until the going concern deficit is eliminated. An annual additional payment for fiscal 2020 of $12 million was made (2019 – $0).

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 Plan's 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 the University of Manitoba it 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 current service cost payments for fiscal 2020 were $3 million (2019 – $2 million).

The unamortized net actuarial gains (losses) were determined on the basis of the 2017 actuarial valuation and the 2019 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 of respective annual actuarial gains or losses arise.

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 equal 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 2018, the Plan had a going-concern deficiency of $23 million, which the University is addressing by making annual deficiency payments of $3 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 trusteed 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, 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.

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 $36.50 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 is named in various legal actions. No provision has been made at March 31, 2020 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, 2019 audited consolidated financial statements indicate that CBS has 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). Together, these captive insurance companies provide Canadian Blood Services with comprehensive blood risk insurance covering losses up to $1 billion. The primary policy held by CBSI has provided coverage up to $250 million, with the secondary policy held by CBSE providing coverage up to $750 million. Effective April 1, 2019, the primary policy coverage was increased to $300 million, with a corresponding reduction in the secondary policy to $700 million.

CBSI provides insurance coverage up to $300 million with respect to risks associated with the operation of the blood system. The related assets of CBSI as at March 31, 2019 total $475 million (2018 – $462 million). Based upon the above, the Government's share of the provision for future claims as at March 31, 2019 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 $700 million in excess of the $300 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 $700 million. The members have each issued an indemnity to CBSE on their pro rata share of the $700 million, calculated on the basis of their respective populations. Given current populations, Manitoba's maximum potential liability under its indemnity to CBSE is approximately $33 million. The Government is not aware of any proceedings that could lead to a claim against it under the indemnity given to CBSE.

iii) *Treaty Land Entitlement Obligations*

The Government of Manitoba's obligations under the treaty land entitlement agreements require Manitoba to transfer administration and control of up to 1,144,331 acres of Crown Land (Selections) and up to 282,123 acres of Manitoba interests in Other Land (Acquisitions) to Canada so as to enable Canada to fulfil its obligations under the treaties between Canada and the First Nations of Manitoba. As of March 31, 2020, Manitoba Entitlement First Nations have collectively Selected and Acquired approximately 1,040,156 acres of Crown Land and Other Land. As of March 31, 2020, Manitoba has transferred administration and control of 675,560 acres of Crown Land and

18,659 acres of Manitoba interests in Other Land to Canada for reserve creation. The Crown Land and Manitoba interests in Other Land have been transferred in accordance with paragraph 11 of the Natural Resources Transfer Agreement (Schedule to Constitution Act, 1930). The transfers include mines and minerals and other interests impliedly reserved under The Crown Lands Act, as well as all other interests of Manitoba in the lands.

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 $169 million (2019 – $187 million). Manitoba Hydro has also recognized a provision of $27 million (2019 – $43 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 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.

Concerning the impact of the global COVID-19 pandemic beginning in mid-March and the related blockades in May 2020 on the Keeyask Project, contractor claims have been received from three key contractors on the project. The claims are for both cost and schedule impacts related to the pandemic, the blockades, as well as the travel restrictions and testing protocols that were implemented by Manitoba Hydro in order to protect the health and safety of the Keeyask Project workforce and the surrounding communities. The quantification of the impact is uncertain as the evaluation and eventual resolution will be achieved in the coming months.

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	2020	2019
Canadian Museum for Human Rights	25	4	4
Manitoba Agricultural Services Corporation (Note 7B.i)	–	68	71
Manitoba Housing and Renewal Corporation (Note 7B.ii)	20	11	11
Manitoba Student Aid Program	20	–	–
Triple B Stadium Inc. (Note 7B.iii)	–	–	26
University of Winnipeg. (Note 7B.iv)	54	29	–
Other	18	4	7
Total guarantees outstanding		116	119

A provision for future losses on guarantees for $11 million (2019 – $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:

Program	General Terms and Conditions
Operating Credit Guarantees for Agriculture	Each participating lending institution is guaranteed up to 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, 2020 outstanding guarantees under this authority totalled $11 million (2019 – $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 previously guaranteed up to $35 million of the indebtedness of Triple B to a third party lender. The guarantee agreement was terminated effective July 2019.

Note 7B.iv) University of Winnipeg

University of Winnipeg's controlled entity UWCRC guarantees specific debts of UWCRC 2.0, a related but uncontrolled corporation.

UWCRC provided guarantees for the following loans:

	($ millions)
CMHC Rental Construction Financing Initiative loan for construction of the Muse Flats (209 Colony)	21
CMHC National Co-Investment Fund loan for construction of the West Broadway Commons (167 Colony)	8

C. GOVERNMENT BUSINESS ENTERPRISE GUARANTEES

As at March 31, 2020, Manitoba Hydro has outstanding Manitoba Hydro-Electric Board Bonds amounting to $121 million (2019 – $121 million). These bonds carry fixed coupon rates that range from 3.72% to 9.10%. The Government guarantees $60 million (2019 – $60 million) of these outstanding bonds.

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

The Deposit Guarantee Corporation of Manitoba (Corporation) has guaranteed $31.3 billion in credit union deposits at the end of December 31, 2019 (December 31, 2018 – $29 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)	2021	2022	2023	2024	2025	2026 and thereafter	Total
Government Organizations and components							
Service contracts	207	98	69	57	50	197	**678**
Rental of capital assets	39	34	31	27	25	163	**319**
Acquisition or construction of capital assets	302	130	137	141	143	910	**1,763**
Other contracts	143	60	39	32	23	109	**406**
Government Business Enterprises	44	29	18	10	7	16	**124**
Total	**735**	**351**	**294**	**267**	**248**	**1,395**	**3,290**

Other significant obligations not included in the table are:

GOVERNMENT ORGANIZATIONS

Government organizations have entered into contractual arrangements related to construction projects totalling $474 million (2019 – $597 million), and details relating to the settlement year cannot be reasonably estimated.

GOVERNMENT BUSINESS ENTERPRISE CONTRACTUAL OBLIGATIONS

Manitoba Hydro has energy purchase commitments of $2,534 million (2019 – $2,742 million) that relate to future purchases of wind, natural gas (including transportation and storage contracts) and electricity. Commitments are primarily for transmission right access that expire in 2039, wind and solar purchases that expire in 2038, and natural gas purchases which expire in 2037. In addition, other outstanding commitments principally for construction are approximately $1,737 million (2019 – $1,946 million).

Manitoba Liquor and Lotteries Corporation has purchase commitments of $15 million (2019 – $7 million) related to the casino and liquor operations construction projects.

9. Debt Servicing

Debt servicing costs of $1.037 billion (2019 – $1 billion) are net of interest recoveries from GBEs of $838 million (2019 – $800 million), interest on provincial debt held as investments of $12 million (2019 – $17 million) and includes $5 million (2019 – $19 million) representing interest expense of government organizations. GBEs debt servicing costs of $852 million (2019 – $789 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, 2020 amounts held in trust were as follows:

		($ millions)	
	Valuation Method	**2020**	**2019 Restated**
Various Universities and Colleges	cost	541	511
The Public Guardian and Trustee of Manitoba	various	277	269
Production Insurance Trust	cost	472	437
The Public Service Group Insurance Fund	market	235	245
Manitoba Development Corporation	cost	54	71
Hail Insurance Trust	cost	61	64
Other Fiduciary Trust	various	58	57
Custodial trust held by Departments	various	19	18
Suitor's Money Act	cost	15	14
		1,732	1,686

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. Varieties of strategies are used, including the use of derivative financial instruments (derivatives).

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Government uses derivatives to hedge and 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 $ nil (2019 – $4 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 policy has effectively hedged the foreign currency debt principal and interest payments 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, 2020 was 91% at fixed rates and 9% at floating rates (2019 – 89% at fixed rates and 11% at floating rates). A one percent (100 basis points) movement in interest rates on the 9% floating rate debt for an entire year would increase/decrease debt servicing costs, net of recoveries, by $26 million (2019 – $31 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, 2020 the Government has a gross credit risk exposure related to derivatives of $20 million (2019 – $38 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.

DERIVATIVE PORTFOLIO

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

	($ millions)			
	2020		2019	
	Notional Value	Fair Value	Notional Value	Fair Value
Interest rate and cross currency swaps	50,952	(1,289)	49,318	(718)

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 $611 million (2019 – $656 million) of Provincial bonds and debentures with maturities dates ranging from 2020 to 2052 and interest rates ranging from 3.00% to 7.50%.

C. WATER POWER RENTALS

Water power rental fees charged to Manitoba Hydro, for $115 million (2019 – $103 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 $207 million (2019 – $186 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.

E. DRIVER LICENSING OPERATIONS

The Government, by agreement, paid $30 million (2019 – $30 million) to MPIC for the management and administration of driver licensing. MPIC, on behalf of the Government, collected driver licensing fees totalling $26 million (2019 – $25 million) and motor vehicle registration fees totalling $192 million (2019 – $190 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, 2020 (2019 – $5 million) for addictions and problem gambling services programs. In addition, the Corporation provided $5 million (2019 – $5 million) in funding to the Liquor, Gaming and Cannabis Authority of Manitoba and the Ministry of Crown Services through the payment of annual licence fees and levies.

Manitoba Hydro paid the Government $112 million (2019 – $103 million) for corporation capital tax. MPIC paid the Government $44 million (2019 – $39 million) for insurance premium tax. GBEs paid the Government a combined total of $18 million (2019 – $18 million) for Health and Education Tax.

MPIC paid the Manitoba Health Services Insurance Fund $30 million (2019 – $31 million) to cover non-insured medical expenses.

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

13. Employee Future Benefits

	($ millions)	
	2020	**2019**
Severance	463	461
Long term disability income plan	40	39
Workers compensation claims	49	43
	552	543

The severance liability is valued using discount rates that range from 2.6% to 6.0% and salary increase rates that range from 0% to 3.75%. Unamortized actuarial gains and losses are amortized over EARSL. Periods range from 6 to 15 years. As of March 31, 2020, net unamortized losses were $26 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, 2019 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 $148 million in special warrants and $35 million in supplementary estimates related to the departments. The original budget estimate amounts plus the $148 million in special warrants and $35 million in supplementary estimates becomes the revised estimates, against which expenses in excess of legislative authority are determined. Based upon the revised estimates, the following departments were over-expended at March 31, 2020:

Part A – Operating Expense:

	($ millions)
Conservation and Climate	6
Indigenous and Northern Relations	25
Infrastructure	60
Sport, Culture and Heritage	49

15. Liability for Contaminated Sites

The Province reports environmental liabilities related to the management and remediation of contaminated sites where the Province is obligated or likely obligated to incur such costs. A contaminated sites liability of $265 million (2019 – $271 million) has been recorded based on environmental assessments or estimations for those sites where an assessment has not been conducted.

As of March 31, 2020 the Province has identified 408 sites which require or likely require remediation from contamination.

The Province is responsible for the risk management and potential remediation of certain orphaned and abandoned mine sites that exist on Crown land. For most of these mine sites, the companies that caused the contamination no longer exist. The mining operations were primarily comprised of gold and other metals. The risk of contamination at these sites primarily comes from mine tailings and other possible contaminants that were left on site. The liability also includes sites associated with 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, toxic heavy metals, polychlorinated biphenyl 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.

Where sites require ongoing remediation, monitoring, or maintenance all estimated future costs are discounted using the province's weighted average cost of capital. Remediation at two sites requires the operation of water treatment plants for the next 40 years. Expenditures of $47 million for the future operation of the water treatment plants have been discounted at 3.6% over the next 40 years. The assumed rate of inflation is 2.0%.

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, 2020.

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, 2020, 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 $119 million (2019 – $171 million) in various trust accounts either directly or on behalf of certain Manitoba community foundations 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 purposes specified in the trust agreements. The trusts are not controlled by the Province and therefore are not consolidated as part of the GRE. The total transfers have been expensed in the following ministries and the balances as at March 31, 2020 are as follows:

	$ (millions)
Agriculture and Resource Development – Fish and Wildlife Enhancement Fund	20
Agriculture and Resource Development – GROW	52
Agriculture and Resource Development – Wetlands GROW	50
Agriculture and Resource Development – Highway One West Shelterbelt Renewal	2
Agriculture and Resource Development – Conservation Trust Fund	102
Agriculture and Resource Development – Manitoba Habitat Heritage Corporation Fund Foundation	15
Agriculture and Resource Development – Harry J. Enns Oak Hammock Marsh Fund	6
Agriculture and Resource Development – Oak Hammock Marsh Capital Renewal	2
Agriculture and Resource Development – Fort Whyte Endowment Fund	4
Families – Child Care Sustainability Fund	2
Municipal Relations – Trails Manitoba Endowment Fund	8
Municipal Relations – Endow Manitoba Fund	10
Sport, Culture and Heritage – Signature Museum Sustainability Funds	10
Sport, Culture and Heritage – Manitoba Heritage Trust Program	5
Sport, Culture and Heritage – Military Memorials Conservation Fund	2
	290

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, 2020 are as follows:

($ millions)	**2021**	**2022**	**2023**	**2024**	**2025**	**2026 and thereafter**	**Total**
Federal transfers – Capital	83	50	30	11	2	3	**179**
Federal transfers – Operating	68	76	14	–	–	–	**158**
Lease and rental agreements	132	130	129	127	127	159	**804**
Other – Capital	7	1	–	–	–	–	**8**
Other	21	14	14	15	15	342	**421**
Total	**311**	**271**	**187**	**153**	**144**	**504**	**1,570**

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 2026 may be significant. Contractual rights amounts 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 2026 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 is unknown and dependent on the rate of return earned on the investments.

Manitoba Hydro has dependable export sales contracts to U.S. and Canada totalling approximately $9.5 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. TRANSITION OF POST-SECONDARY INSTITUTIONS TO PSAS WITHOUT THE 4200 SERIES

The post-secondary institutions under the control of the Province were directed by the government to divert their accounting framework from Canadian public sector accounting standards (PSAS) with the 4200 series to PSAS without the 4200 series. This should have had no effect on the summary financial statements. However, due to a lack of information about the post-secondary institutions, the restatement of the March 31, 2019 financial statement were improperly restated from PSAS with the 4200 series to PSAS without the 4200 series. The opening accumulated deficit at April 1, 2018 had to be increased by $74 million. The increase in the opening deficit resulted in an increase in financial assets by $164 million offset by an increase of $242 million in financial liabilities, and a decrease in non-financial assets of $4 million. The deficit for the year ended March 31, 2019 was decreased by $14 million.

B. CORRECTION OF AN ERROR TO PENSION LIABILITIES AT THE POST-SECONDARY INSTITUTIONS

Effective April 1, 2012 the post-secondary institutions with defined benefit pension plans adopted public sector standards for the first time. Public sector standards allowed the post-secondary institutions to restate their actuarial gains and losses recognized under Part 5 to their opening equity, effective April 1, 2012. The Province noted that the defined benefit pension obligations were not properly restated for the summary financial statements. The Province properly restated the defined benefit pension obligations of the post-secondary institutions. At March 31, 2019 financial liabilities decreased by $18 million while the accumulated deficit increased by $18 million. As the pension obligation and pension expense are substantiated on a global basis, there were no changes to the balances reported in Schedule 6.

20. Subsequent Events

On June 11, 2020, the Court of Queen's Bench ruled that the substantive provisions of *The Public Services Sustainability Act*, S.M. 2017, c. 24, have no force and effect, despite the fact the legislation had not been proclaimed. Those provisions provide for a sustainability period during which compensation for affected employees is not to be increased except by the percentages permitted in the legislation. The government has appealed that decision. Given that this matter is still before the courts and that Manitoba may still provide bargaining mandates regardless of the effect of such legislation, no accrual for retroactive wages beyond what is provided for in the legislation is included in these financial statements, except for arbitration awards made prior to June 11, 2020.

21. Impact of COVID-19 Pandemic

The COVID-19 pandemic is complex and rapidly evolving. It has caused material disruption to businesses and has resulted in an economic slowdown. The Government continues to assess and monitor the impact of COVID-19 on its financial condition, including the likelihood of decreased revenues and increased expenses as a direct result of this crisis. The magnitude and duration of COVID-19 is uncertain. Therefore it is difficult to measure the potential future impact on the Government's financial position and operations.

22. Restated Budget

The restated budget on the Statement of Revenue and Expense are taken from Budget 2019 as presented to the Legislative Assembly on March 7, 2019 and restated for comparability to the current year results.

23. Comparative Figures

On October 23, 2019, the Government announced organizational changes that resulted in certain functions being transferred between departments. As a result, certain 2019 financial statement balances have also been reclassified to be presented on the same basis as the 2020 results.

SCHEDULE 1

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF AMOUNTS RECEIVABLE

As at March 31, 2020

	($ millions) 2020	2019 Restated
TAXATION:		
Income taxes	254	237
Retail sales tax	231	267
Other taxes	135	143
	620	647
GOVERNMENT OF CANADA AND OTHER GOVERNMENTS:		
Government of Canada shared cost programs/agreements	646	675
Other	468	440
	1,114	1,115
OTHER:		
Health and social services	175	173
Government business enterprises	18	21
Sundry departmental revenue	112	100
Other	167	150
	472	444
	2,206	2,206
Less: Allowances	349	339
Total Amounts Receivable	1,857	1,867

SCHEDULE 2
SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF LOANS AND ADVANCES
As at March 31, 2020

	($ millions) 2020	2019
GOVERNMENT BUSINESS ENTERPRISES:		
Manitoba Hydro-Electric Board	23,078	21,501
Manitoba Liquor and Lotteries Corporation	381	400
	23,459	21,901
Less: Debt incurred for and repayable by the Manitoba Hydro-Electric Board	23,078	21,501
	381	400
OTHER:		
Loans and mortgages - Note a	1,099	1,040
Stadium loan - Note b	137	137
Manitoba student loans - Note c	182	150
Family services agencies - Note d	27	29
Other	32	3
	1,477	1,359
TOTAL LOANS AND ADVANCES	1,858	1,759
Less: Valuation allowance	254	230
NET LOANS AND ADVANCES	1,604	1,529

The government business enterprises loans and advances portfolio is due in varying annual amounts to the year 2120, 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 1.08% and the highest set at 1.74% as at March 31, 2020.

Note a

		2020	2019
i)	Agricultural direct lending and special assistance program mortgages, due in varying annual amounts to the year 2046, bearing interest at rates ranging from 2.75% to 9.00%.	943	867
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%.	80	88
iii)	Business development assistance loans, due in varying annual amounts to the year 2040, bearing interest at rates ranging from 0% to 5.88%.	52	58
iv)	Northern business development and fishing industry assistance loans, due in varying annual amounts to the year 2031, bearing interest at rates ranging from 4.50% to 8.08%.	24	27
		1,099	1,040

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.

SCHEDULE 3

SUMMARY FINANCIAL STATEMENTS
GOVERNMENT BUSINESS ENTERPRISES
SCHEDULE OF CONSOLIDATED OPERATING RESULTS AND FINANCIAL POSITION

For the Year Ended March 31, 2020

($ millions)	UTILITY	INSURANCE	FINANCE	TOTAL 2020	TOTAL 2019
CHANGES IN EQUITY					
Results from Operations:					
Revenues from operations	2,672	1,675	1,525	5,872	5,728
Expenses: From operations	1,735	1,467	905	4,107	4,020
Debt servicing	838	-	14	852	789
Total expenses	2,573	1,467	919	4,959	4,809
Net income	99	208	606	913	919
Other comprehensive income (loss)	34	35	-	69	(225)
Total comprehensive income	133	243	606	982	694
Transfers to the Government	-	-	(606)	(606)	(616)
Net increase in equity in government business enterprises	133	243	-	376	78
FINANCIAL POSITION					
Assets:					
Cash and temporary investments	926	239	69	1,234	1,141
Amounts receivable	446	492	37	975	993
Portfolio investments: Due from Government and government organizations	-	629	-	629	675
Due from others	-	2,847	-	2,847	2,533
Capital assets	25,190	115	357	25,662	24,127
Other assets	2,744	106	143	2,993	2,637
Total assets	29,306	4,428	606	34,340	32,106
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue	2,578	863	153	3,594	3,625
Long-term debt: Owing to Government	23,078	-	381	23,459	21,901
Other borrowings, discounts and deferred transaction costs	209	7	67	283	55
Net pension obligations	745	396	-	1,141	1,151
Future cost of existing claims	-	2,150	-	2,150	2,085
Total liabilities	26,610	3,416	601	30,627	28,817
Equity:					
Non-controlling interests	302	-	-	302	254
Equity in government business enterprises	2,394	1,012	5	3,411	3,035
Total equity	2,696	1,012	5	3,713	3,289
Total liabilities and equity	29,306	4,428	606	34,340	32,106
EQUITY COMPRISED OF:					
Retained earnings	3,141	1,051	5	4,197	3,902
Accumulated other comprehensive income (loss)	(747)	(39)	-	(786)	(867)
Equity in government business enterprises	2,394	1,012	5	3,411	3,035

Note: For government business enterprises whose fiscal year end is prior to March 31, the amounts reflected are as at their fiscal year end. The financial statements of the Manitoba Public Insurance Corporation for the 2019/20 fiscal period includes 13 months ending March 31, 2020.

SCHEDULE 4

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF BORROWINGS

As at March 31, 2020

($ millions)

Fiscal Year of Maturity	Bonds and Debentures Cdn	Bonds and Debentures US	Canada Pension Plan Cdn	Loans and Mortgages Cdn	Promissory Notes and Treasury Bills Cdn	Totals 2020	Totals 2019
2020	-	-	-	-	-	-	5,221
2021	3,397	355	-	2	2,080	5,834	3,728
2022	2,480	426	-	1	-	2,907	2,881
2023	2,528	213	-	-	-	2,741	2,726
2024	2,388	496	-	-	-	2,884	2,348
2025	3,473	-	-	-	-	3,473	2,140
2020-2025	14,266	1,490	-	3	2,080	17,839	19,044
2026-2030	11,614	-	-	-	-	11,614	9,585
2031-2040	5,819	-	184	-	-	6,003	5,194
2041-2070	15,984	-	294	-	-	16,278	16,450
2026-2070	33,417	-	478	-	-	33,895	31,229
2021-2057 Government Organizations	498	-	-	268	-	766	815
Total borrowings	48,181	1,490	478	271	2,080	52,500	51,088
Reduced by:							
Debt incurred for and repayable by the Manitoba Hydro-Electric Board						(23,078)	(21,501)
Unamortized debt issue costs						(277)	(282)
Unamortized foreign currency fluctuation						-	(4)
Unamortized gains and losses on derivative contracts						268	255
Province of Manitoba debt issues held as investments in sinking funds and cash and cash equivalents						(141)	(390)
						29,272	29,166

	March 31/20 Cdn $ Valuation (See Notes)	March 31/19 Cdn $ Valuation (See Notes)
Borrowings payable in:		
Canadian dollars	37,996	37,292
Foreign issues hedged to Canadian dollars	13,014	12,319
U.S. dollars	426	401
Issues hedged to U.S. dollars	1,064	1,076
Total borrowings	52,500	51,088

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 1.10% to 10.68%.
ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 1.07% and the highest set at 2.89% as at March 31, 2020.

SCHEDULE 5

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF ACCOUNTS PAYABLE, ACCRUED CHARGES, PROVISIONS AND UNEARNED REVENUE

As at March 31, 2020

	($ millions)	
	2020	**2019 Restated**
ACCOUNTS PAYABLE	1,507	1,440
ACCRUED CHARGES:		
Interest	200	208
Disaster financial assistance	62	91
Liability for contaminated sites (Note 15)	265	271
Salaries and benefits	975	904
Employee future benefits (Note 13)	552	543
Other	177	191
	2,231	2,208
PROVISION FOR FUTURE LOSSES (Note 7)	11	17
UNEARNED REVENUE	650	711
Total Accounts Payable, Accrued Charges, Provisions and Unearned Revenue	4,399	4,376

SCHEDULE 6

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2020

($ millions)

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	Total 2020	Total 2019
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year	3,252	4,271	1,543	567	147	9,780	9,421
Current service costs	81	109	67	22	5	284	287
Interest cost on benefit obligation	184	254	84	32	8	562	546
Change in actuarial (gains) losses and reserves	(21)	-	76	2	(1)	56	84
Plan amendment	-	-	-	-	-	-	-
Benefits paid	(201)	(222)	(126)	(29)	(9)	(587)	(558)
Obligation at end of year	3,295	4,412	1,644	594	150	10,095	9,780
PLAN ASSETS							
Plan assets at beginning of year	2,221	2,516	1,484	581	61	6,861	6,917
Employer contributions	93	119	49	14	6	281	275
Employee contributions	-	-	31	12	-	43	42
Transfer of plan assets	-	-	2	-	-	2	1
Plan asset contributions	-	-	-	-	-	-	-
Benefits paid	(201)	(222)	(126)	(29)	(9)	(587)	(558)
Expected return on plan assets	127	145	80	32	3	387	381
Experience gains (losses)	80	(145)	124	(16)	(5)	38	(195)
Market value of plan assets	2,320	2,413	1,644	594	56	7,025	6,863
Deferred investment losses (gains)	(29)	73	(92)	8	2	(38)	(19)
Market related value of plan assets	2,291	2,486	1,552	602	58	6,987	6,844
PENSION LIABILITY							
Plan deficit (surplus)	1,004	1,926	93	(7)	92	3,108	2,935
Unamortized actuarial gains (losses)	6	(25)	9	(14)	(8)	(32)	(47)
Surplus adjustments (Note B)	-	-	-	16	5	21	26
Pension liability	1,010	1,901	102	(5)	89	3,097	2,914
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	81	109	67	22	5	284	287
Interest cost on benefit obligation	184	254	84	32	7	561	546
Return on plan assets	(127)	(145)	(80)	(32)	(3)	(387)	(380)
Employee contributions	-	-	(32)	(12)	-	(44)	(43)
Amortization of actuarial (gains) losses	7	29	12	4	(6)	46	47
Plan amendment	-	-	-	-	-	-	-
Change in surplus adjustments	-	-	-	(1)	(5)	(6)	5
Defined benefit pension plan expense	145	247	51	13	(2)	454	462
Defined contribution pension plan expense	-	-	6	24	198	228	215

SCHEDULE 6 (cont'd)

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2020

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans	Public School Division Plans	Other Plans	Total 2020	Total 2019
MEMBER DATA							
Defined benefit pension plan							
Number of active and deferred members	20,800	23,300	5,500	5,100	200	54,900	56,100
Number of pensioners	16,700	15,700	2,400	2,200	300	37,300	36,000
Total number of plan members	37,500	39,000	7,900	7,300	500	92,200	92,100
ACTUARIAL ASSUMPTIONS							
Discount rate on accrued benefits	5.75%	6.00%	5.50% - 5.65%	4.75% - 5.75%	3.60% - 5.50%		
Expected long-term rate of return	5.75%	6.00%	5.30% - 5.65%	4.75% - 5.75%	3.60% - 5.50%		
Inflation	2.00%	2.00%	2.00% - 2.50%	0.00% - 2.50%	2.00% - 2.00%		
Real rate of return	3.75%	4.00%	3.00% - 3.65%	2.75% - 5.50%	1.60% - 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:

	Valuation Date	EARSL
- Civil Service Superannuation Plan	Dec-18	13.2
- Teachers' Retirement Allowance Plan	Jan-18	12.0
- University of Manitoba Pension Plans	Dec-17	9.0
- University of Winnipeg Pension Plan	Dec-18	6.3
- Brandon University Retirement Plan	Dec-19	9.0
- Winnipeg School Division Pension Fund for Employees Other than Teachers	Dec-19	11.4
- Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division	Dec-18	14.0
- Retirement Plan for Employees of Frontier School Division	Dec-18	13.1
- School District of Mystery Lake	Jun-18	16.7
- Members of Legislative Assembly Pension Plan	Mar-19	0.0
- Legislative Assembly Pension Plan	Dec-18	8.0
- Judges' Supplemental Pension Plan	Mar-19	8.0
- Winnipeg Child and Family Services Employee Benefits Retirement Plan	Dec-18	0.0

SCHEDULE 7

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

For the Year Ended March 31, 2020

	General Capital Assets					Infrastructure				Totals	
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Land and Land Improvements	Transportation	Dams and Water Management Structures	Assets Under Construction Note b	2020	2019 Restated
Cost											
Opening cost	306	10,187	2,969	1,215	956	542	6,912	751	146	23,984	23,371
Restatements - Note a			(239)							(239)	(247)
Adjusted Opening Balance	306	10,187	2,730	1,215	956	542	6,912	751	146	23,745	23,124
Add:											
Additions during the year	24	184	122	20	288	12	287	1	87	1,025	1,006
Less:											
Disposals and write downs	(2)	(17)	(101)	(21)	(11)	-	(61)	-	(1)	(214)	(385)
Settlements and reclassifications	1	439	42	42	(529)	22	70	8	(95)	-	-
Closing cost	329	10,793	2,793	1,256	704	576	7,208	760	137	24,556	23,745
Accumulated amortization											
Opening accumulated amortization	-	4,213	2,158	847	-	95	2,673	141	-	10,127	9,760
Restatements - Note a			(178)							(178)	(188)
Adjusted Opening Balance	-	4,213	1,980	847	-	95	2,673	141	-	9,949	9,572
Add:											
Amortization	-	282	147	69	-	7	228	12	-	745	723
Less:											
Accumulated amortization on disposals and write downs	-	(11)	(78)	(19)	-	-	(13)	-	-	(121)	(346)
Closing accumulated amortization	-	4,484	2,049	897	-	102	2,888	153	-	10,573	9,949
Net Book Value of Tangible Capital Assets	329	6,309	744	359	704	474	4,320	607	137	13,983	13,796

Note a - Restatements are primarily related to the reclassification of library books from capital assets to expenses.

Note b - During the year the Province capitalized $6 million of interest relating to assets under construction (2019 - $16 million).

SCHEDULE 8

SUMMARY FINANCIAL STATEMENTS

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

HEALTH

- Health, Seniors and Active Living
  - Addictions Foundation of Manitoba
  - CancerCare Manitoba
  - Manitoba Health Services Insurance Plan
  - 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 AND ECONOMIC DEVELOPMENT

- Education
  - Manitoba Learning Resource Centre
  - Public School Divisions
  - Public Schools Finance Board

- Economic Development and Training
  - Assiniboine Community College
  - Brandon University
  - Community Revitalization Fund
  - Communities Economic Development Fund
  - Co-operative Loans and Loans Guarantee Board
  - Economic Development Winnipeg Inc. - Note c
  - Helen Betty Osborne Memorial Foundation
  - Industrial Technology Centre
  - Manitoba Development Corporation
  - Manitoba Opportunities Fund Ltd.
  - Red River College
  - Research Manitoba
  - Rural Manitoba Economic Development Corporation
  - Travel Manitoba
  - Université de Saint-Boniface
  - University College of The North
  - University of Manitoba
  - University of Winnipeg

FAMILIES

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

SCHEDULE 8 (cont'd)

SUMMARY FINANCIAL STATEMENTS
GOVERNMENT ORGANIZATIONS, COMPONENTS AND BUSINESS ENTERPRISES COMPRISING THE GOVERNMENT REPORTING ENTITY

COMMUNITY AND RESOURCE DEVELOPMENT

Agriculture and Resource Development
- Abandonment Reserve Fund
- Farm Machinery and Equipment Act Fund
- Fish and Wildlife Enhancement Fund
- Food Development Centre
- Manitoba Agricultural Services Corporation
- Manitoba Habitat Heritage Corporation
- Manitoba Potash Corporation
- Mining Community Reserve
- Mining Rehabilitation Reserve Fund
- Quarry Rehabilitation Reserve Fund
- Veterinary Science Scholarship Fund

Conservation and Climate
- Efficiency Manitoba Inc.
- Manitoba Hazardous Waste Management Corporation
- Waste Reduction and Recycling Support Fund

Indigenous and Northern Relations

Infrastructure
- Manitoba Trucking Productivity Improvement Fund

Municipal Relations
- Manitoba Water Services Board
- North Portage Development Corporation - Note b
- Office of the Fire Commissioner

JUSTICE AND OTHER EXPENDITURES

Legislative Assembly

Executive Council

Civil Service Commission

Crown Services

Employee Pensions and Other Costs

Central Services
- Leaf Rapids Town Properties Ltd.
- Manitoba Education, Research and Learning Information Networks (MERLIN)
- Materials Distribution Agency
- Vehicle and Equipment Management Agency

Finance
- Entrepreneurship Manitoba
- Financial Literacy Fund
- Funeral Board of Manitoba
- Insurance Council of Manitoba

SCHEDULE 8 (cont'd)

SUMMARY FINANCIAL STATEMENTS

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

JUSTICE AND OTHER EXPENDITURES, cont'd

- Land Titles Assurance Fund
- Manitoba Financial Services Agency
- Pension Asset Fund
- Special Operating Agencies Financing Authority
- The Public Guardian and Trustee of Manitoba
- Vital Statistics Agency
- Workplace Safety and Health Public Education Fund

Justice

- Legal Aid Manitoba
- Liquor, Gaming and Cannabis Authority of Manitoba
- Manitoba Horse Racing Commission
- Manitoba Law Reform Commission
- Victims Assistance Fund

Sport, Culture and Heritage

- Le Centre culturel franco-manitobain
- Manitoba Arts Council
- Manitoba Centennial Centre Corporation
- Manitoba Combative Sports Commission
- Manitoba Film and Sound Recording Development Corporation
- Sport Manitoba Inc.

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3)

Utility:

- Manitoba Hydro-Electric Board - Note a

Insurance:

- Deposit Guarantee Corporation of Manitoba - Note e
- Manitoba Public Insurance Corporation - Note a

Finance:

- Manitoba Liquor and Lotteries Corporation - Note a

SPECIAL ACCOUNTS, not attached to a Sector or Department

- Rainy Day Fund - Note d

Notes:

a. This entity reports to Crown Services.
b. North Portage Development Corporation is a government business partnership.
c. Economic Development Winnipeg is a government partnership.
d. Fiscal Stabilization Account
e. This entity reports to Finance.

SCHEDULE 9
SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR
For the Year Ended March 31, 2020

($ millions)

	Health		Education and Economic Development		Families		Community and Resource Development	
	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	919	892	-	-	-	-
Fees and other revenue	625	524	835	791	193	218	632	602
Federal transfers	1,563	1,460	255	243	51	96	151	100
Contributions from entities within the Government Reporting Entity	65	79	52	56	-	-	-	-
Sinking funds and other investment earnings	6	8	56	51	1	2	6	10
TOTAL REVENUE	2,259	2,071	2,117	2,033	245	316	789	712
EXPENSE								
Personnel services	3,779	3,672	3,276	3,188	211	229	301	319
Grants/Transfer payments	1,685	1,532	159	199	387	364	625	472
Transportation	82	75	36	35	3	4	44	32
Communication	14	14	34	35	4	4	8	9
Supplies and services	907	861	512	489	150	169	151	137
Social assistance related	-	-	96	81	1,408	1,410	211	350
Other operating	224	239	229	235	28	35	103	135
Debt servicing	51	57	169	168	43	46	255	239
Minor capital	17	18	78	72	-	-	3	4
Amortization	196	195	170	165	54	51	251	238
TOTAL EXPENSE	6,955	6,663	4,759	4,667	2,288	2,312	1,952	1,935
NET INCOME (LOSS) FOR THE YEAR	(4,696)	(4,592)	(2,642)	(2,634)	(2,043)	(1,996)	(1,163)	(1,223)

SCHEDULE 9 (cont'd)

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

For the Year Ended March 31, 2020

($ millions)

	Justice and Other Expenditures		General Government (Note a)		Adjustments (Note b)		Total	
	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	4,515	4,234	-	-	4,515	4,234
Other taxes	-	-	3,619	3,839	(46)	(46)	4,492	4,685
Fees and other revenue	222	220	8	2	(18)	(16)	2,497	2,341
Federal transfers	23	22	2,804	2,610	-	-	4,847	4,531
Contributions from entities within the Government Reporting Entity	-	(4)	913	938	(117)	(150)	913	919
Sinking funds and other investment earnings	308	247	-	-	-	-	377	318
TOTAL REVENUE	553	485	11,859	11,623	(181)	(212)	17,641	17,028
EXPENSE								
Personnel services	609	592	3	4	62	66	8,241	8,070
Grants/Transfer payments	130	87	28	105	(238)	(269)	2,776	2,490
Transportation	17	14	-	7	-	-	182	167
Communication	15	10	-	-	-	-	75	72
Supplies and services	280	263	3	7	32	28	2,035	1,954
Social assistance related	13	14	-	-	-	-	1,728	1,855
Other operating	144	116	20	21	(37)	(36)	711	745
Debt servicing	507	479	12	12	-	(1)	1,037	1,000
Minor capital	7	6	1	1	-	-	106	101
Amortization	67	66	7	8	-	-	745	723
TOTAL EXPENSE	1,789	1,647	74	165	(181)	(212)	17,636	17,177
NET INCOME (LOSS) FOR THE YEAR	(1,236)	(1,162)	11,785	11,458	-	-	5	(149)

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.

SCHEDULE 10

SUMMARY FINANCIAL STATEMENTS
RESTATED BUDGET

For the Year Ended March 31, 2020

($ millions)

		Adjustments				
	Print	Note a	Note b	Note c	Note d	**Restated**
REVENUE						
All Other Revenue	13,270					13,270
Automobile and Motor Carrier Licences and Fees	160				31	191
Parks: Forestry and Other Conservation	35			(11)		24
Service Fees and Other Miscellaneous Charges	1,533			11	(31)	1,513
Canada Health Transfers	1,514				(40)	1,474
Shared cost and other transfers	513				40	553
Total Revenue	17,025	-	-	-	-	17,025
EXPENSES						
Legislative Assembly	50		2			52
Executive Council	4	1				5
Agriculture and Resource Development	363	23	4	54		444
Central Services	-		3	188		191
Civil Service Commission	22	1	1	(1)		23
Conservation and Climate	203	1	4	(55)		153
Crown Services	-			2		2
Economic Development and Training	105	6	3	1,574		1,688
Education	4,560	1	2	(1,620)		2,943
Employee Pensions and Other Costs	76		(76)			-
Families	2,174	25	8	1		2,208
Finance	250	3	4	(150)		107
Health, Seniors and Active Living	6,651	12	9	2		6,674
Indigenous and Northern Relations	36		1	(4)		33
Infrastructure	459	8	5	1		473
Justice	684	12	28	(24)		700
Municipal Relations	366	18	1	18		403
Sport, Culture and Heritage	106	42	1	14		163
Enabling Appropriations	233	(153)				80
Other Appropriations	50					50
Debt Servicing	1,088					1,088
Total Expenses	17,480	-	-	-	-	17,480
In - Year Adjustment/Lapse	(95)					(95)
NET INCOME (LOSS) FOR THE YEAR	(360)	-	-	-	-	(360)

Note a: In addition to 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: On March 7, 2019, the Province released Budget 2019 which presented the expenses by ministry. 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 c: On Oct. 23, 2019, the Province announced organizational changes that resulted in transfers of certain functions between departments. This restatement has no impact to net loss.

Note d: Restatement to correct the budget classification for specific revenue line items. This restatement has no impact to net loss.

FOR THE YEAR ENDED MARCH 31, 2020

Information Provided Under Statutory Requirement

INFORMATION PROVIDED UNDER STATUTORY REQUIREMENT

TABLE OF CONTENTS

Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

Opinion

We have audited the 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, 2020 ("the statement").

In our 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, 2020 is prepared, in all material respects, in accordance with Note 2 to the statement.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Province in accordance with the ethical requirements that are relevant to our audit of the statement in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter: Basis of Accounting

We 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. Our 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 this report and accordingly, we do not express an opinion on the information.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Province of Manitoba Annual Report, but does not include the statement and our auditor's report thereon.

Our opinion on the statement does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 of 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

Our 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 our 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 our 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.

We 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 we identify during our audit.

"Original document signed by"

Winnipeg, Manitoba
September 25, 2020

Tyson Shtykalo, CPA, CA
Auditor General

RAINY DAY FUND*
STATEMENT OF TRANSFERS AND ACCOUNT BALANCE
For the Year Ended March 31, 2020

	($ thousands)	
	2020	**2019**
Transfer from Core Government operations	228,477	407,000
Account Balance, beginning of year	571,523	164,523
Account Balance, end of year	800,000	571,523

NOTES

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 and is continued as the Fiscal Stabilization Account. The legislated purpose of the fund is to assist in stabilizing the fiscal position of the government from year to year and to improve long-term fiscal planning. 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, 2020

	($ thousands)	
	2020	2019
Account Balance, beginning of year	571,523	164,523
- Transfer from Core Government - allocated to general purposes	228,477	407,000
Account Balance, end of year	800,000	571,523

* Refers to the Fiscal Stabilization Account established under The Fiscal Stabilization Fund Act

STATEMENT OF THE TOTAL AMOUNT OF DEBT OR OBLIGATION DUE HER MAJESTY WRITTEN OFF IN WHOLE OR IN PART

As Required by Section 24(b) of The Financial Administration Act
For the Year Ended March 31, 2020

	$	$
AGRICULTURE AND RESOURCE DEVELOPMENT (III)		
Manitoba Agricultural Services Corporation		84,681
CONSERVATION AND CLIMATE (XII)		
Accounts Receivable		38,360
EDUCATION (XVI)		
Accounts Receivable		698
FAMILIES (IX)		
Accounts Receivable		878,733
FINANCE (VII)		
Levy for Health and Education Tax	82,629	
Retail Sales Tax	666,215	
Corporation Capital Tax	7,644	756,488
INFRASTRUCTURE (XV)		
Accounts Receivable		233,263
MUNICIPAL RELATIONS (XIII)		
Accounts Receivable		79
		1,992,302

STATEMENT OF SPECIAL WARRANTS OF HER HONOUR THE LIEUTENANT-GOVERNOR OF MANITOBA

As Required by Section 32(4) of The Financial Administration Act
Issued Relative to the Year Ended March 31, 2020

OPERATING EXPENSES			**$**
AGRICULTURE AND RESOURCE DEVELOPMENT (III)			
February 26, 2020	3.3	Risk Management, Credit and Income Support Programs	13,492,000
February 26, 2020	3.6	Water Stewardship and Biodiversity	86,300,000
ECONOMIC DEVELOPMENT AND TRAINING (X)			
February 26, 2020	10.3	Advanced Education and Skills	3,772,000
FAMILIES (IX)			
February 26, 2020	9.4	Child and Youth Services	2,769,000
February 26, 2020	9.5	Housing	3,603,000
HEALTH, SENIORS AND ACTIVE LIVING (XXI)			
February 26, 2020	21.5	Regional Policy and Programs	4,745,000
February 26, 2020	21.7	Health Services Insurance Fund	24,331,000
JUSTICE (IV)			
February 26, 2020	4.5	Courts	1,678,000
MUNICIPAL RELATIONS (XIII)			
February 26, 2020	13.2	Community Planning and Development	7,500,000
		Total Special Warrants	148,190,000

EXPLANATORY COMMENTS REGARDING SPECIAL WARRANTS AS SHOWN ON THE STATEMENT OF SPECIAL WARRANTS

For the Year Ended March 31, 2020

PART A - OPERATING EXPENSES

	$
Special Warrants amounting to $148,190,000 were issued during the year ended March 31, 2020.	
DEPARTMENT OF AGRICULTURE AND RESOURCE DEVELOPMENT (III)	
To provide additional funding for the Agricultural Income Stabilization program	13,492,000
To provide additional funding for the following Water Stewardship and Biodiversity programs:	
Water Science and Watershed Management program	550,000
Wildlife and Fisheries program	34,250,000
Lands program	51,500,000
DEPARTMENT OF ECONOMIC DEVELOPMENT AND TRAINING (X)	
To provide additional funding for the Manitoba Bursary Fund	3,772,000
DEPARTMENT OF FAMILIES (IX)	
To provide additional funding for the Authorities and Maintenance of Children program	2,769,000
To provide additional funding for Housing	3,603,000
DEPARTMENT OF HEALTH, SENIORS AND ACTIVE LIVING (XXI)	
To provide additional funding for the Health Emergency Management program	4,745,000
To provide additional funding for the Health Services Insurance Fund	24,331,000
DEPARTMENT OF JUSTICE (IV)	
To provide additional funding for Sheriff Services	1,678,000
DEPARTMENT OF MUNICIPAL RELATIONS (XIII)	
To provide additional funding for the Community Development Program	7,500,000
Operating Expenses Total - Part A	148,190,000

STATEMENT OF THE CLAIMS SETTLED

As Required by Section 41(7) of The Financial Administration Act
For the Year Ended March 31, 2020

	$
Agriculture and Resource Development (III)	150,000
Central Services (VIII)	34,000
Conservation and Climate (XII)	22,967
Education (XVI)	11,303
Families (IX)	344
Finance (VII)	307,583
Infrastructure (XV)	34,177
Justice (IV)	11,281
	571,655

STATEMENT OF EXPENDITURES RELATED TO CAPITAL AND FUTURE CONTRACT COMMITMENTS

As Required by Section 45(3) of The Financial Administration Act
For the Year Ended March 31, 2020

DEPARTMENT	FUTURE COMMITMENT $
LEGISLATIVE ASSEMBLY (I)	
Service contracts	177,766
	177,766
EXECUTIVE COUNCIL (II)	
Service contracts	2,160
	2,160
AGRICULTURE AND RESOURCE DEVELOPMENT (III)	
Service contracts	410,237
	410,237
CENTRAL SERVICES (VIII)	
Service contracts	87,062,338
Acquisition or construction of capital	1,512,865
Other	17,950,238
	106,525,441
CONSERVATION AND CLIMATE (XII)	
Service contracts	11,286,262
Acquisition or construction of capital	893,654
	12,179,916
ECONOMIC DEVELOPMENT AND TRAINING (X)	
Service contracts	37,527
	37,527
EDUCATION (XVI)	
Service contracts	165,126
	165,126
FAMILIES (IX)	
Service contracts	20,303,042
Rental of capital assets	858,326
Acquisition or construction of capital	800,000
Other	693,619
	22,654,987
FINANCE (VII)	
Service contracts	456,960
	456,960
HEALTH, SENIORS AND ACTIVE LIVING (XXI)	
Service contracts	50,004,632
	50,004,632
INDIGENOUS AND NORTHERN RELATIONS (XIX)	
Service contracts	1,015,915
Acquisition or construction of capital	3,802,600
	4,818,515
INFRASTRUCTURE (XV)	
Acquisition or construction of capital	110,953,514
Other	220,356
	111,173,870

STATEMENT OF EXPENDITURES RELATED TO CAPITAL AND FUTURE CONTRACT COMMITMENTS (continued)

As Required by Section 45(3) of The Financial Administration Act
For the Year Ended March 31, 2020

DEPARTMENT	FUTURE COMMITMENT $
JUSTICE (IV)	
Service contracts	2,929,169
Rental of capital assets	48,744
Acquisition or construction of capital	2,700,224
	5,678,137
MUNICIPAL RELATION (XIII)	
Service contracts	5,067
	5,067
TOTAL	314,290,341

NOTE: The Appropriation Act, 2019 authorizes the Government to commit to expenditures up to an amount not exceeding $1,040,000,000 for the purpose of ensuring completion of projects or fulfilling contracts initiated in the year ended March 31, 2020. Any expenditures so committed must be included in the estimates of the fiscal year in which the expenditure is to be made or incurred.

STATEMENT OF REVENUE AND EXPENSE RELATED TO ROADWAY AND MUNICIPAL INFRASTRUCTURE

As Required by Section 67.1(2) of The Financial Administration Act
For the Year Ended March 31, 2020

	2020	2019
	$	$
REVENUE		
Net Gasoline and Motive Fuel Tax - Note 1	338,013,155	347,406,209
	338,013,155	347,406,209
Less: Tax attributed to aircrafts and locomotives	16,367,686	18,832,475
TOTAL REVENUE	321,645,469	328,573,734
EXPENSES		
Highways and Transportation Programs	21,304,088	22,558,485
Construction and Maintenance		
Maintenance and preservation of provincial trunk highways, provincial roads and related projects	123,846,210	127,732,921
Winter roads	8,740,175	8,680,671
Infrastructure assets - provincial roads and highways	432,499,597	410,070,818
Road construction and maintenance	565,085,982	546,484,410
General assets - road related	5,242,782	5,346,181
Other construction and maintenance	5,242,782	5,346,181
Total Construction and Maintenance	570,328,764	551,830,591
TOTAL EXPENSES	591,632,852	574,389,076
NET RESULT FOR THE YEAR	(269,987,383)	(245,815,342)

Note 1: Amount refers to proceeds of tax paid into the Consolidated Fund, net of authorized refunds.

STATEMENT OF CALCULATION OF SURPLUS OR DEFICIT UNDER THE FISCAL RESPONSIBILITY AND TAXPAYER PROTECTION ACT

(Unaudited)

For the Year Ended March 31, 2020

	($ millions)		
	Budget	2020	2019 Restated
Revenue	17,025	17,641	17,028
Expenditure	17,480	17,636	17,177
Net Result	(455)	5	(149)
Year-end Adjustments/Lapse	(95)	-	-
Net Income (Loss)	(360)	5	(149)
Less adjustments:			
1) Net Income Manitoba Hydro	(121)	(99)	(121)
2) Rainy Day Fund (also known as the Fiscal Stabilization Account)	(50)	(229)	(407)
Deficit balance for the purposes of The Fiscal Responsibility and Taxpayer Protection Act	**(531)**	**(323)**	**(677)**
Baseline Deficit*	**(724)**	**(724)**	**(824)**

* Baseline Deficit, March 31, 2019	(824)
Annual Reduction	100
Baseline Deficit, March 31, 2020	**(724)**

STATEMENT OF CALCULATION OF SURPLUS OR DEFICIT UNDER THE FISCAL RESPONSIBILITY AND TAXPAYER PROTECTION ACT

(Unaudited)

For the Year Ended March 31, 2020

1. The Fiscal Responsibility and Taxpayer Protection Act requires the government not to incur a deficit greater than the baseline amount and penalizes ministers by reducing their salaries if this requirement is not met. The deficit amount is calculated in accordance with provisions of the Act, which sets out a starting baseline of $924 million in 2018 that is reduced by $100 million per year thereafter. For the fiscal year 2020, the baseline amount is $724 million.

2. While in a deficit position, the Act requires the government to withhold 20% of the ministerial salaries. This percentage will increase to 40% if the government has a deficit exceeding the baseline amount for two consecutive years. The withheld amounts will be paid back to the ministers if there is no deficit incurred or if the deficit is below the baseline amount. However, the repayment amounts will be prorated if the deficit is below the baseline amount by less than $100 million.

3. For the 2020 fiscal year, the actual deficit is below the baseline amount by $401 million. The Government is therefore in compliance with the Act. Once this report is tabled in the Assembly, the following withheld amounts will be paid back.

	Amount of Salaries Withheld	Salary Reduction	Amount to be Paid Back
Pallister, Hon. B.	$15,754	-	$15,754
Clarke, Hon. E.	10,292	-	10,292
Cox, Hon. C.	10,292	-	10,292
Cullen, Hon. C.	10,292	-	10,292
Eichler, Hon. R.	10,292	-	10,292
Fielding, Hon. S.	10,292	-	10,292
Friesen, Hon. C.	10,292	-	10,292
Goertzen, Hon. K.	10,292	-	10,292
Mayer, Hon. C	5,090	-	5,090
Pedersen, Hon. B.	10,292	-	10,292
Schuler, Hon. R.	10,292	-	10,292
Squires, Hon. R.	10,292	-	10,292
Stefanson, Hon. H.	10,292	-	10,292
Wharton, Hon. J.	10,292	-	10,292
Total	$144,348	-	$144,348

Available in alternate formats upon request.