PROVINCE DU MANITOBA

Rapport annuel et comptes publics

Pour l'exercice terminé le 31 mars 2023

2023

Manitoba

PROVINCE DU MANITOBA
RAPPORT ANNUEL ET COMPTES PUBLICS
31 MARS 2023

Reconnaissance du territoire

Nous reconnaissons que le Manitoba se trouve sur les territoires visés par un traité et sur les terres ancestrales des peuples anishinaabeg, anishininewuk, dakota oyate, denesuline et nehethowuk.

Nous reconnaissons que le Manitoba se situe sur le territoire des Métis de la Rivière-Rouge.

Nous reconnaissons que le nord du Manitoba comprend des terres qui étaient et sont toujours les terres ancestrales des Inuits.

Nous respectons l'esprit et l'objectif des traités et de la conclusion de ces derniers. Nous restons déterminés à travailler en partenariat avec les Premières Nations, les Inuits et les Métis dans un esprit de vérité, de réconciliation et de collaboration.

Manitoba

MINISTRE DES FINANCES

Bureau 103
Palais législatif
Winnipeg (Manitoba) R3C 0V8
Canada

Son Honneur l'honorable Anita R. Neville, P.C., O.M.
Lieutenante-gouverneure de la province du Manitoba

Madame la Lieutenante-Gouverneure,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel de la Province du Manitoba pour l'exercice terminé le 31 mars 2023.

Ce document complète le compte rendu des activités du gouvernement pour cet exercice.

Le rapport comprend une récapitulation des résultats de l'exercice par rapport au budget du gouvernement. Il présente également des statistiques et des indicateurs de la santé financière de la province.

En outre, il contient le rapport de fin d'exercice, le rapport d'analyse des états financiers de la direction, les états financiers sommaires, et les rapports prévus dans les comptes publics.

Document original signé par :

Monsieur Cliff Cullen
Ministre des Finances

Bureau du ministre des Finances
Septembre 2023

TABLE DES MATIÈRES

OÙ VA MON ARGENT?
APERÇU DES RECETTES ET DES DÉPENSES

Total des recettes **22,1 G$** | Total des dépenses **21,9 G$** | Excédent **270 M$** | Dette nette **30,3 G$**

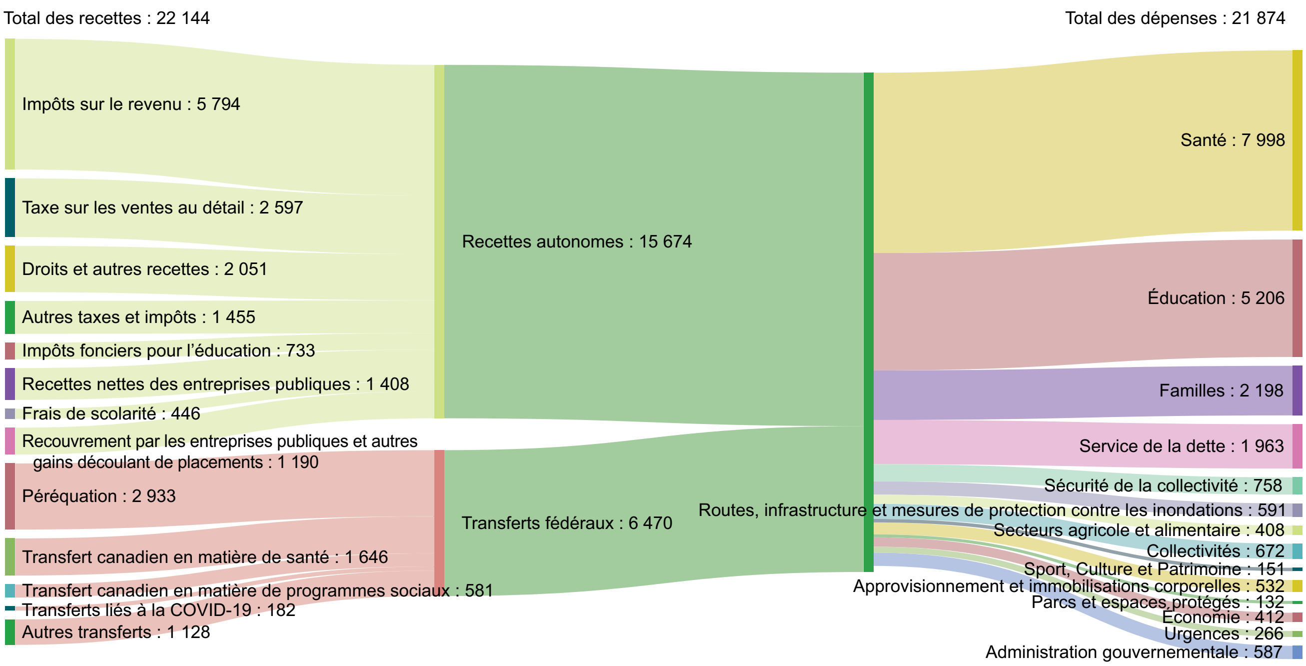
Une gestion financière prudente exige d'équilibrer plus de 22 milliards de dollars de recettes, notamment les recettes autonomes et les transferts fédéraux, avec les dépenses qui vont aux ministères et aux autres entités comptables.

Comme l'illustre le tableau ci-dessous, les recettes provinciales proviennent de 13 sources différentes et sont versées aux ministères, à leurs organismes et aux entités financées par le gouvernement. Pour cet exercice, les recettes ont dépassé les dépenses de 270 millions de dollars. Les soins de santé représentent environ 37 % (soit huit milliards de dollars) du budget total. La santé, l'éducation et les familles représentent près de 71 % du budget.

La dette provinciale nette, qui est une mesure du total des passifs soustraction faite des actifs financiers, s'élève à 30,3 milliards de dollars en 2022-2023. Les frais de service de la dette annuels se chiffrent à près de deux milliards de dollars.

Recettes et dépenses du Manitoba, 2022-2023

En millions de dollars



Source : Finances Manitoba

INTRODUCTION AU RAPPORT ANNUEL

Les Comptes publics du Manitoba, pour l'exercice terminé le 31 mars 2023, reflètent les résultats financiers nets des activités de l'exercice du gouvernement du Manitoba. Le périmètre comptable du gouvernement comprend les ministères gouvernementaux, les autres entités comptables, les entreprises publiques et les partenariats du gouvernement.

Explication des résultats financiers de 2022-2023 : Situation financière

La performance économique du Manitoba en 2022-2023 était meilleure que prévu, et a eu une influence positive sur les états financiers de la province.

La situation financière sommaire de la province en date du 31 mars 2023 est un excédent net de 270 millions de dollars, représentant une amélioration de 1 020 millions de dollars par rapport au déficit redressé de 750 millions de dollars de l'exercice précédent, et une amélioration de 818 millions de dollars par rapport au déficit de 548 millions de dollars prévu au budget de 2022-2023.

Le Manitoba, comme d'autres provinces canadiennes, a connu une hausse considérable de ses recettes fiscales au cours de l'exercice financier. En outre, Manitoba Hydro a enregistré une importante hausse de ses recettes nettes par rapport au budget. Ainsi, le total des recettes sommaires dépasse le budget de 1 947 millions de dollars.

Le total des dépenses sommaires dépasse le budget de 1 129 millions de dollars. Une bonne partie de l'écart dans les dépenses de l'exercice résulte des nouvelles mesures mises en œuvre pendant l'exercice ayant pour but d'atténuer les pressions inflationnistes au Manitoba, et d'autres hausses des frais. Plus particulièrement, le Manitoba a annoncé un Programme d'abordabilité pour les familles et un Fonds d'allégement de la taxe sur le carbone qui ont permis de remettre près de 280 millions de dollars aux Manitobains. Le Manitoba a recouru au groupe d'intervention auprès des réfugiés ukrainiens pour fournir du soutien et des logements temporaires au grand nombre d'Ukrainiens arrivant dans la province. On a aussi noté des hausses des soins de santé attribuables aux pressions dans les offices régionaux de la santé et le Régime d'assurance-médicaments, ainsi qu'une hausse des frais de service de la dette en raison des taux d'intérêt croissants.

La dette nette représente la différence entre le total des passifs et des actifs financiers, et constitue une mesure importante de la viabilité budgétaire. Les changements de la dette nette résultent des modifications du déficit ainsi que du niveau des dépenses en immobilisations, y compris les obligations liées à la mise hors service d'immobilisations. La dette nette se chiffrait à 281 millions de dollars de moins que le budget. La dette nette du Manitoba, en pourcentage de l'économie (PIB), est de 34,4 %, soit 1,5 point de moins que l'estimation budgétaire de 35,9 %.

Les frais de service de la dette se chiffraient à 94 millions de dollars de plus que le budget, s'élevant à 1 963 millions de dollars, ce qui reflète les hausses des taux d'intérêt qui ont eu lieu pendant l'exercice.

Aperçu des résultats financiers

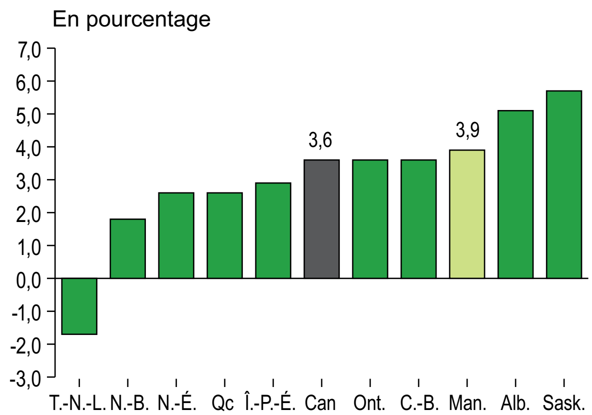
	2023		2022	Écart	
	Budget redressé	**Chiffres réels**	**Chiffres redressés**	**Budget**	**2022**
		(en millions de dollars)			
Recettes	20 197	22 144	19 944	1 947	2 200
Dépenses	18 876	19 911	18 890	1 035	1 021
Service de la dette	1 869	1 963	1 804	94	159
Excédent (déficit) d'exploitation	**(548)**	**270**	**(750)**	**818**	**1 020**
Dette nette	30 544	30 263	29 198	(281)	1 065
Ratio de la dette nette au PIB	35,9 %	34,4 %	36,6 %	(1,5)	(2,2)

Explication des résultats financiers de 2022-2023 : Facteurs économiques

La performance de l'économie a été plus solide que prévu au cours de l'exercice financier 2022-2023, malgré la présence de plusieurs facteurs de risque, notamment les perturbations dans la chaîne d'approvisionnement, l'inflation élevée, la pénurie de main-d'œuvre et l'invasion de l'Ukraine par la Russie.

Après la prise en compte de l'inflation, le produit intérieur brut (PIB) réel du Manitoba, aux prix de base, a connu une hausse de 3,9 % en 2022, celle-ci étant la plus élevée parmi les provinces et étant supérieure à la moyenne canadienne de 3,6 %, selon les estimations préliminaires de Statistique Canada. La croissance en 2022 était supérieure au taux de 3,6 % prévu dans le Budget de 2022.

Croissance annuelle du produit intérieur brut réel aux prix de base, 2022



Source : Statistique Canada

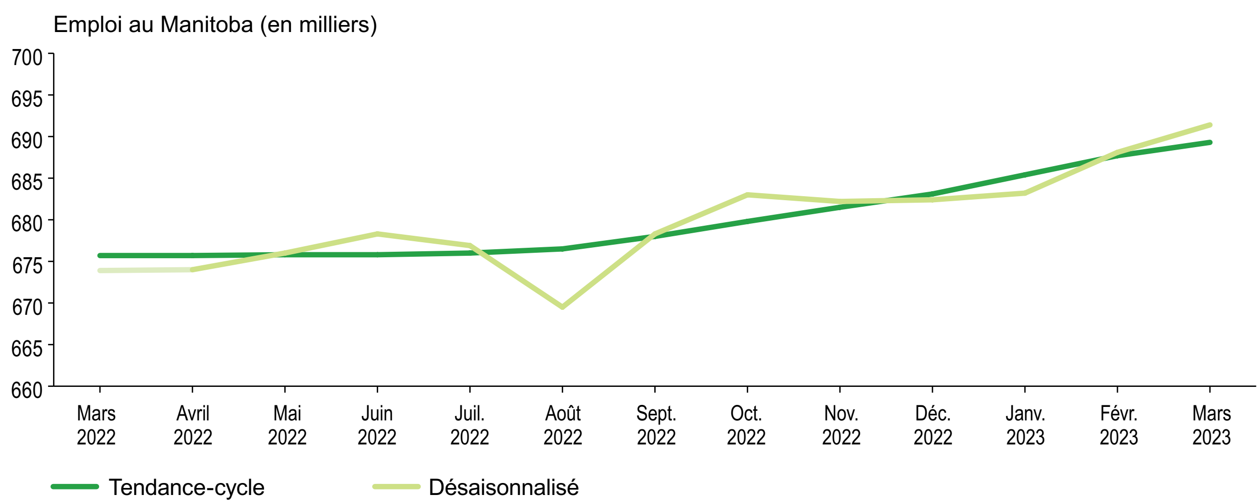
La plupart des industries au Manitoba ont affiché une croissance économique impressionnante en 2022.

Après s'être remis des conditions de sécheresse de 2021, le secteur des services publics a enregistré une hausse de la production substantielle en raison des niveaux de précipitations élevés et de la forte demande en 2022-2023. Le PIB réel des services publics a augmenté de 22,3 % en 2022, après avoir baissé de 15,7 % en 2021. De la même façon, les conditions météorologiques favorables ont haussé la production de 20,7 % en 2022, comparativement à une baisse de 16 % en 2021.

Le secteur de la fabrication du Manitoba a signalé une hausse de 5,9 % en 2022, soit la hausse la plus élevée depuis 2011.

L'emploi au Manitoba a augmenté de 3,2 % en 2022, et les niveaux d'emploi poursuivent leur trajectoire ascendante en 2023, indiquée dans le tableau ci-dessous.

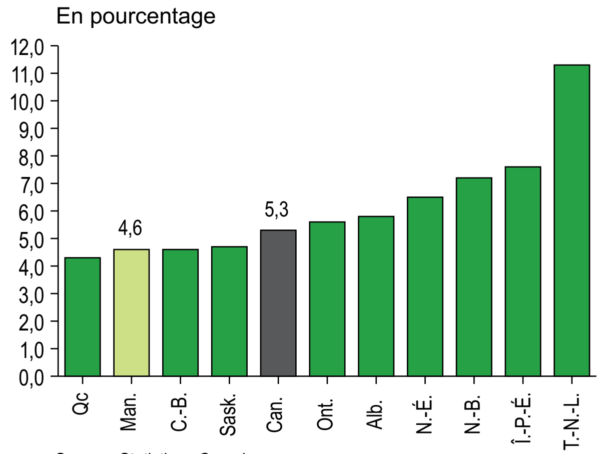
Niveau d'emploi au Manitoba, désaisonnalisé et tendance-cycle, de mars 2022 à mars 2023



Source : Statistique Canada

Avec son taux de 4,6 % en 2022, le Manitoba occupait le deuxième rang des provinces canadiennes ayant les plus bas taux de chômage, derrière le Québec. Le taux a légèrement grimpé en 2023, puis est demeuré stable à 4,7 % à la fin de l'exercice financier en mars, demeurant inférieur à la moyenne canadienne de 5,5 % et en dessous de toutes les autres provinces, à l'exception du Québec et de la Colombie-Britannique.

Taux de chômage annuel, 2022

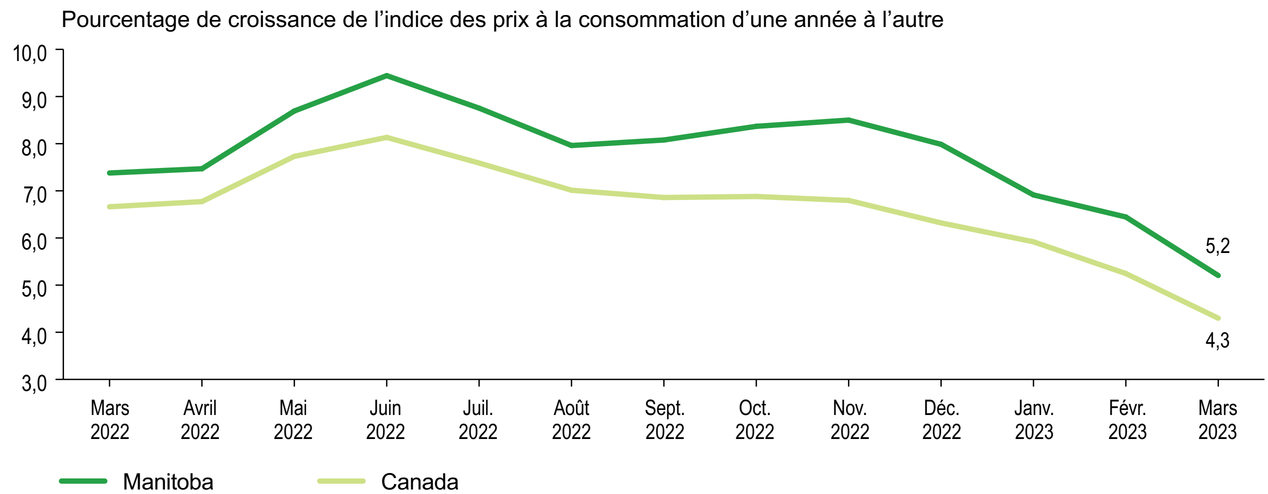


Source : Statistique Canada

Reflétant un renforcement du marché du travail, la rémunération des employés (revenu du travail) a grimpé à une vitesse accélérée depuis la baisse en 2020. La rémunération totale a augmenté de 7,3 % en 2021, et de nouveau de 7 % en 2022. Pendant le premier trimestre de 2023, la rémunération des employés avait augmenté de 7,3 %.

L'inflation des prix à la consommation, mesurée au moyen de l'indice d'ensemble des prix à la consommation de Statistique Canada, a connu une hausse moyenne de 7,9 % en 2022, occupant le deuxième rang des provinces ayant les taux d'inflation les plus élevés, et se situant au-dessus de la moyenne canadienne de 6,8 %. Même si la pression croissante sur les prix de marchandise et les prix à la consommation s'est poursuivie en 2023, l'indice des prix à la consommation a ralenti dans le premier trimestre de 2023. À la fin de l'exercice financier, en mars 2023, le taux d'inflation au Manitoba était de 5,2 %.

Indice des prix à la consommation général, Manitoba et Canada



Source : Statistique Canada

Explication des résultats financiers de 2022-2023 : Recettes

La solide performance économique de la province au cours du dernier exercice a eu des répercussions directes sur les recettes du gouvernement. Dans l'ensemble, les recettes s'élevaient à 1 947 millions de dollars de plus que le budget. La plus grande partie de la hausse provient des recettes fiscales. En outre, les recettes nettes des entreprises publiques étaient de 574 millions de dollars de plus que le budget, reflétant principalement une hausse des recettes de Manitoba Hydro par rapport au budget.

Principales modifications des recettes en 2022-2023

(en millions de dollars)	
Budget sommaire – Recettes	20 197
Taxes et impôts	
Impôt sur le revenu des particuliers	242
Impôt sur les bénéfices des sociétés	594
Taxe sur les ventes au détail	187
Autres taxes et impôts	(58)
Total des modifications des recettes fiscales	965
Autres recettes autonomes	(12)
Entreprises publiques	574
Transferts fédéraux	220
Réserve pour éventualités	200
Hausse nette des recettes	1 947
Recettes de 2022-2023	22 144

Les recettes provenant de l'impôt sur le revenu des particuliers s'élevaient à 242 millions de dollars de plus que le budget, alors que les recettes provenant de l'impôt sur les bénéfices des sociétés s'élevaient à 594 millions de dollars de plus que le budget, reflétant une hausse totale des recettes provenant des impôts de 836 millions de dollars, alimentée par une croissance économique plus élevée que prévu et un marché du travail solide.

La taxe sur les ventes au détail s'élevait à 187 millions de dollars de plus que le budget, reflétant des dépenses de consommation accrues et des prix plus élevés.

Les autres variations nettes des recettes fiscales comprennent une baisse de 58 millions de dollars, principalement attribuable à une chute de 36 millions de dollars des taxes sur le carburant, laquelle découlait de la diminution des dépenses pour la consommation de carburant, et à une baisse de 46 millions de dollars pour la taxe sur le tabac.

Les variations nettes des transferts fédéraux comprennent le financement de 219 millions de dollars de l'accord d'aide financière en cas de sinistre pour le partage des coûts liés aux inondations printanières de 2022. Les transferts fédéraux contiennent aussi 182 millions de dollars en financement lié à la COVID-19. Cette somme comprend un complément unique de 72 millions de dollars au Transfert canadien en matière de santé pour traiter de la question des retards dans le domaine des chirurgies et des procédures; un transfert unique de 21 millions de dollars visant à maintenir les niveaux de service de transport en commun face au manque à gagner résultant de la diminution du nombre de passagers pendant la pandémie; et une allocation de cinq millions de dollars pour les projets de ventilation dans les écoles. Le financement pour le transport en commun et la ventilation dans les écoles a été versé à la Province en vue de sa remise aux municipalités et aux divisions scolaires. Les retards dans le processus fédéral de délivrance de permis pour les canaux de déversement du lac Manitoba et du lac St. Martin signifiaient que les contributions fédérales de 89 millions de dollars à ce projet, figurant dans le Budget de 2022, ont aussi été retardées. Plusieurs projets du Programme d'infrastructure Investir dans le Canada ont aussi été retardés, entraînant une baisse de 71 millions de dollars de recettes provenant du fédéral comparativement au budget.

Les recettes nettes des entreprises publiques reflètent principalement une hausse des recettes nettes de Manitoba Hydro, par rapport au budget. En raison de la combinaison des niveaux d'eau supérieurs à la moyenne aux centrales électriques, de la hausse des prix du marché au comptant des exportations au cours de l'exercice, et de la réduction du loyer de l'énergie hydraulique et des droits de garantie de la dette payés à la Province, les recettes de Manitoba Hydro s'élevaient à 518 millions de dollars de plus que le budget. Les recettes nettes de la Société manitobaine des alcools et des loteries étaient aussi supérieures au budget, dans ce cas-ci de 106 millions de dollars, grâce aux recettes substantielles tirées du jeu et à des ventes d'alcools plus élevées que prévu. En revanche, la Société d'assurance publique du Manitoba a enregistré des recettes nettes de 44 millions de dollars de moins que le budget, qui s'expliquent essentiellement par les répercussions des taux d'intérêt et la dévaluation des placements. Le tableau suivant résume les résultats des entreprises publiques :

Recettes nettes des entreprises publiques

	Budget de 2022-2023	**Chiffres réels de 2022-2023**	**Chiffres réels de 2021-2022**
		(en millions de dollars)	
Société manitobaine des alcools et des loteries	635	741	597
Société d'assurance-dépôts du Manitoba	31	25	30
Régie de l'hydro-électricité du Manitoba	120	638	(248)
Société d'assurance publique du Manitoba	48	4	(58)
Recettes nettes des entreprises publiques	834	1 408	321

Explication des résultats financiers de 2022-2023 : Dépenses

La hausse des recettes de près de deux milliards de dollars a permis au gouvernement d'accroître ses dépenses pendant l'exercice. Dans l'ensemble, les recettes s'élevaient à 1 129 millions de dollars de plus que le budget. Les dépenses additionnelles ont été possibles grâce aux autorisations de dépenser supplémentaires obtenues au moyen de deux mandats spéciaux, totalisant 946 millions de dollars. Le premier mandat spécial, en août, accordait une autorisation de dépenser supplémentaire de 96 millions dans les crédits d'autorisation, qui ont été affectés à différents ministères pour financer le Programme d'abordabilité pour les familles, le Programme d'aide au rajustement du salaire minimum et le Fonds pour la sécurité alimentaire. Le deuxième mandat, en janvier, accordait une autorisation de dépenser supplémentaire de 850 millions de dollars. Cette somme a été utilisée pour fournir 200 millions de dollars au ministère des Finances en vue de la mise en œuvre du Fonds d'allégement de la taxe sur le carbone; 140,5 millions de dollars au ministère de la Santé afin de couvrir les différentes hausses de frais du système de soins de santé; 161 millions de dollars au ministère des Relations avec les municipalités pour fournir une aide financière additionnelle aux municipalités du Manitoba; et 348,5 millions de dollars dans les crédits d'autorisation, somme qui a été réaffectée à différents ministères pour des investissements additionnels dans les collectivités et les industries du Manitoba.

Autorisations de dépenser supplémentaires	**(en millions de dollars)**
Crédits d'autorisation*	445
Finances	200
Relations avec les municipalités	161
Santé	140
Total des autorisations de dépenser supplémentaires	**946**

* Les autorisations de dépenser supplémentaires approuvées dans les crédits d'autorisation ont été réaffectées aux ministères.

Principales modifications des dépenses en 2022-2023

(en millions de dollars)	
Budget sommaire – Dépenses	20 745
Écarts des dépenses :	
Santé	325
Finances	264
Relations avec les municipalités	212
Urgences diverses	166
Éducation et Apprentissage de la petite enfance	151
Protection du consommateur et Services gouvernementaux	126
Service de la dette	94
Développement économique, Investissement et Commerce	53
Crédits d'autorisation	(98)
Agriculture	(88)
Autres variations nettes	(76)
Hausse nette des dépenses	1 129
Dépenses 2022-2023	21 874

Plusieurs facteurs ont contribué à l'écart de 325 millions de dollars en santé, notamment les hausses des dépenses des offices régionaux de la santé et les hausses des prix et des volumes dans le Régime d'assurance-médicaments. L'écart reflète également la hausse des dépenses liées à la mise en œuvre du Plan d'action sur les ressources humaines en santé qui a été présenté pendant l'exercice.

Le ministère des Finances était responsable de l'exécution du Programme d'abordabilité pour les familles (autorité découlant des crédits d'autorisation) et du Fonds d'allégement de la taxe sur le carbone, entraînant une hausse de l'autorisation de dépenser supplémentaire de 264 millions de dollars par rapport au budget.

Le ministère des Relations avec les municipalités présente un écart de 212 millions de dollars par rapport au budget, principalement en raison de l'investissement non prévu au budget de 140 millions de dollars dans neuf projets municipaux d'alimentation en eau et de traitement des eaux usées, de la hausse de la subvention d'exploitation de 47 millions pour l'année municipale 2023, et du financement fédéral pour le transport en commun de 21 millions de dollars versé aux municipalités par l'intermédiaire de la Province en vertu d'un mandat spécial.

Le poste des Urgences diverses enregistre un dépassement de budget de 166 millions de dollars en raison des inondations printanières de 2022 et des dépenses en matière de suppression des incendies échappés supérieures à la moyenne. Les inondations printanières de 2022 se situent au quatrième rang des inondations les plus importantes sur la rivière Rouge, et leur durée et leur ampleur étaient parmi les plus vastes jamais enregistrées.

Le ministère de l'Éducation et de l'Apprentissage de la petite enfance rapporte un dépassement de budget de 151 millions de dollars, principalement en raison d'une hausse des dépenses des divisions scolaires pour les salaires, les fournitures et les services.

Le ministère de la Protection du consommateur et des Services gouvernementaux enregistre un dépassement de budget de 126 millions de dollars, principalement en raison de la distribution de fournitures liées à la pandémie qui avaient été données par le gouvernement fédéral, ainsi que de la hausse des frais de réparation et d'entretien des véhicules plus âgés du parc de véhicules à la suite de problèmes dans la chaîne d'approvisionnement nuisant à la livraison de nouveaux véhicules.

Le service de la dette enregistre un dépassement de budget de 94 millions de dollars, reflétant une hausse des taux d'intérêt. La Banque du Canada a haussé le taux directeur du Canada, qui était de 0,25 % en mars 2022, à 4,5 % en mars 2023.

Le ministère du Développement économique, de l'Investissement et du Commerce a enregistré un écart de 53 millions de dollars par rapport au budget, reflétant essentiellement l'autorisation additionnelle prévue dans le mandat spécial accordant une contribution de 50 millions de dollars au fonds Le Manitoba d'abord.

Le ministère de l'Agriculture est 88 millions de dollars sous le budget en raison d'une baisse des demandes d'indemnisation pour les programmes d'Agri-protection et d'assurance contre la grêle.

Le Budget de 2022 a réservé 630 millions de dollars pour la riposte à la pandémie et d'autres éventualités dans les rajustements liés aux services internes relatifs à un des crédits d'autorisation. Le total des dépenses liées à la riposte à la COVID-19 en 2022-2023 s'élevait à 309 millions de dollars, surtout utilisés pour l'intervention de santé publique, l'équipement de protection individuelle et d'autres produits et services connexes.

Parmi les autres éventualités financées par ce crédit, notons 282 millions de dollars pour les hausses salariales de 2022-2023 découlant du règlement des conventions collectives. Plusieurs conventions collectives ont été réglées en 2022-2023, notamment la convention collective cadre du Syndicat des employés généraux et des fonctionnaires du Manitoba, et les conventions collectives du Syndicat des employés généraux et des fonctionnaires du Manitoba et du Syndicat canadien de la fonction publique, avec l'appui des établissements de santé et du personnel de soutien communautaire.

En outre, le Manitoba a engagé des dépenses directes imprévues de 65 millions de dollars réparties entre plusieurs ministères pour soutenir le grand nombre d'Ukrainiens qu'a accueilli la province au cours du dernier exercice. Un vaste éventail de services et de mesures de soutien provinciaux ont été mis à la disposition des milliers d'Ukrainiens arrivant au Manitoba dans le cadre du programme d'Autorisation de voyage d'urgence Canada-Ukraine. Le groupe d'intervention auprès des réfugiés ukrainiens a coordonné les services et les mesures de soutien, notamment un guichet d'accès unique et un centre d'accueil. Les dépenses indirectes associées à l'arrivée des Ukrainiens, comme les soins de santé, sont reflétées dans les dépenses du ministère.

Sommaire des mesures de soutien des résidents ukrainiens temporaires	**(en millions de dollars)**
Logement	41
Repas	17
Services médicaux	6
Programme d'assistance temporaire	1
Total	**65**

Explication des résultats financiers de 2022-2023 : Questions comptables

Les comptes publics sont préparés conformément aux Normes comptables pour le secteur public des Comptables professionnels agréés du Canada. Le gouvernement du Manitoba a mis en œuvre deux nouvelles normes comptables au cours de l'exercice. La section Comptes publics et les notes afférentes aux états financiers contiennent des détails additionnels sur la mise en œuvre du chapitre SP 3280, Obligations liées à la mise hors service d'immobilisations, et du chapitre SP 3450, Instruments financiers.

Résultats budgétaires et investissements dans l'infrastructure stratégique

POUR L'EXERCICE TERMINÉ LE 31 MARS 2023

23

RÉSULTATS BUDGÉTAIRES

La présente section dresse un bilan des résultats budgétaires du gouvernement par rapport aux nouveaux investissements soulignés dans le document *Fiscally Responsible Outcomes and Economic Growth Strategy* du Budget de 2022. Elle fait également état des résultats liés au Programme d'abordabilité pour les familles annoncés pendant l'exercice.

Résultats concernant l'abordabilité

- Dans le cadre du Programme d'abordabilité pour les familles, le Manitoba a versé près de 80 millions de dollars à 145 000 familles manitobaines avec enfants et un revenu net du ménage de moins de 175 000 $, ainsi qu'à près de 52 000 personnes âgées du Manitoba à faibles revenus.
- Le ministère des Familles a haussé les prestations pour les besoins de base du Programme d'aide à l'emploi et au revenu, et a indexé l'allocation pour le loyer des bénéficiaires du Programme d'aide à l'emploi et au revenu ainsi que l'allocation pour le loyer des familles qui ne reçoivent pas d'aide au revenu, à 77 % et à 80 % du loyer médian du marché, respectivement.
- Le Manitoba a créé le Fonds de sécurité alimentaire, un fonds unique de 1,75 million de dollars.
- Le ministère des Familles a versé à Manitoba Harvest une subvention de trois millions de dollars pour les banques alimentaires dans des collectivités urbaines et rurales de toutes les régions du Manitoba en payant pour l'achat d'aliments, le transport et d'autres frais.
- Le Manitoba a fourni près de 200 millions de dollars tirés du Fonds d'allégement de la taxe sur le carbone à près de 700 000 personnes et couples.
- Le ministère de l'Éducation et de l'Apprentissage de la petite enfance a élargi les critères d'admissibilité au Programme d'allocations pour la garde d'enfants, faisant en sorte que près de la moitié des places réglementées ont été subventionnées.
- Le Manitoba a poursuivi l'élimination graduelle de l'impôt foncier pour l'éducation en faisant passer le remboursement de l'impôt foncier pour l'éducation de 25 % à 37,5 % pour les propriétaires de biens résidentiels et agricoles.
- Le ministère des Finances a mis en place un crédit d'impôt pour les locataires résidentiels de 525 $, auquel peut s'ajouter un supplément maximal de 300 $ pour les personnes âgées à faibles revenus.
- Le ministère des Familles a lancé la phase 1 du Programme manitobain de soutien pour personne handicapée, qui a conduit à l'inscription de 7 765 ménages qui bénéficiaient auparavant de l'Aide à l'emploi et au revenu. Ce programme donnait accès à des avantages additionnels, comme des allocations pour les frais de téléphone et la lessive ainsi que des prestations augmentées d'environ 100 $ par mois.
- Le Manitoba a abaissé de 10 $ les droits d'immatriculation des véhicules pour la plupart des véhicules non commerciaux, appliquant cette mesure à partir des renouvellements survenant après le 30 juin 2022.
- Le ministère des Finances a mis en place une exemption de la taxe sur les carburants pour l'utilisation hors route d'équipement d'extraction de mousse de tourbe.
- Le gouvernement a mis en œuvre une réduction de 50 % du loyer de l'énergie hydraulique et des droits de garantie de la dette d'hydroélectricité.

Résultats concernant les soins de santé

- Le Groupe de travail sur le rétablissement des services chirurgicaux et diagnostiques, chargé d'éliminer les retards dans les services chirurgicaux et diagnostiques accumulés pendant la pandémie de COVID-19, a traité 52 952 dossiers.
- Le gouvernement a mis en œuvre un Plan d'action sur les ressources humaines en santé de 200 millions de dollars dont le principal objectif consiste à ajouter 2 000 fournisseurs dans le système de soins de santé public. De nouveaux fournisseurs de soins de santé,

au nombre de 773, avaient été embauchés dans le système public en date du 31 mars 2023.

- Le ministère de la Santé a achevé la construction des services d'urgences à Flin Flon et à Dauphin dans le cadre de son Plan de services cliniques et préventifs, qui vise à investir dans les immeubles, en agrandissant et en rénovant des installations de soins de santé partout dans la province.
- Le ministère de la Santé a terminé la mise en place d'une nouvelle salle d'opération hybride à l'hôpital de Saint-Boniface, à Winnipeg.
- Le ministère de l'Éducation postsecondaire et de la Formation a financé 289 places en soins infirmiers pour l'année scolaire 2022-2023 dans six établissements d'enseignement postsecondaire de diverses régions de la province.
- Le ministère de la Santé mentale et du Mieux-être de la communauté a mis en œuvre la première année du plan quinquennal prévoyant un investissement de 17,1 millions de dollars dans les services de base et les changements structurels, ainsi qu'une hausse de l'accès aux programmes de santé mentale, de lutte contre la toxicomanie et de prévention des maladies.
- Le gouvernement a lancé une obligation à impact social liée à la santé, Arrêtez de fumer avec l'aide de votre pharmacien du Manitoba, en soutien aux personnes qui tentent de cesser de fumer.
- Des progrès quant à la mise en œuvre des recommandations du rapport Stevenson ont été réalisés sous l'égide du ministère des Aînés et des Soins de longue durée. Les investissements portaient notamment sur l'amélioration de la prévention et du contrôle des infections dans le secteur des soins de longue durée, le renforcement de la capacité des agents de contrôle de la qualité et des normes, et la hausse des niveaux d'effectifs pour les soins directs aux résidents.
- Le Manitoba a élaboré et lancé la stratégie pour les aînés, élargissant le programme de soins autogérés et gérés par la famille afin de permettre aux personnes âgées de la province de vivre de façon autonome dans leur propre résidence aussi longtemps que possible. Le financement annuel du programme a été haussé de 12,6 millions de dollars.

Résultats économiques

- Le Manitoba a poursuivi la mise en œuvre de la Stratégie relative aux compétences, au talent et aux connaissances en lançant le portail de l'emploi Work in Manitoba, qui jumelle les chercheurs d'emploi et les employeurs, et en organisant un événement d'embauche en personne afin de mettre en rapport des nouveaux arrivants prêts à l'emploi avec des employeurs procédant à du recrutement actif pour pourvoir des postes.
- Le ministère du Développement économique, de l'Investissement et du Commerce a investi une somme additionnelle de 50 millions de dollars dans le fonds Le Manitoba d'abord, qui a alloué 25 millions de dollars en capitaux au fonds de croissance Connect Manitoba pour soutenir la croissance des entreprises manitobaines.
- Le crédit d'impôt pour capital de risque de petites entreprises fournit un crédit d'impôt du Manitoba non remboursable pouvant atteindre 45 % aux particuliers et aux entreprises qui acquièrent du capital-actions dans des entreprises manitobaines admissibles.
- Le gouvernement a mis en œuvre le Programme d'aide au rajustement du salaire minimum pour les petites et moyennes entreprises touchées par les hausses du salaire minimum.
- Le gouvernement a annoncé la formation du Conseil consultatif économique de la première ministre sur la compétitivité, et a établi un groupe de travail sur la compétitivité fiscale qui fournira des conseils au sujet de la modernisation du système fiscal du Manitoba.
- Le ministère de l'Agriculture a continué de fournir du financement au secteur de l'agriculture et de l'agroalimentaire au cours de la dernière année de mise en œuvre du programme Ag Action Manitoba du Partenariat canadien pour l'agriculture. Un financement de 19 millions de dollars a été accordé aux agriculteurs, aux entreprises agroalimentaires, aux organisations sectorielles, aux chercheurs et aux fournisseurs de l'industrie.
- Le ministère de l'Agriculture a poursuivi la mise en œuvre de la Stratégie à l'égard des protéines grâce au financement par le Partenariat canadien pour l'agriculture de 14 projets, totalisant 1,2 million de dollars.

- Le ministère du Travail et de l'Immigration a fourni cinq millions de dollars à des programmes d'immigration visant à attirer de nouveaux arrivants au Manitoba, soit trois millions de dollars à Manitoba Start pour soutenir les services d'emploi à l'intention des nouveaux arrivants et deux millions de dollars à 13 organismes de fourniture de services locaux pour offrir des services d'établissement aux résidents temporaires.
- Il a mis en œuvre la Stratégie d'investissement pluriannuel de 2022 dans le réseau routier du Manitoba en investissant plus de 510 millions de dollars dans des projets d'immobilisation. Ces projets comprenaient des travaux à l'échangeur de la route périphérique et du chemin St. Mary's à Winnipeg, au pont d'étagement Daly à Brandon et à la route 59, de la frontière des États-Unis jusqu'à la route provinciale secondaire 403.
- Le Manitoba a fait un dépôt officiel, a poursuivi les travaux environnementaux sur le terrain et a préparé 23 plans de gestion environnementale visant l'obtention d'autorisations environnementales fédérales pour le projet de canaux de déversement du lac Manitoba et du lac St. Martin.
- Le ministère du Transport et de l'Infrastructure a soutenu les initiatives de développement économique et de corridor, notamment en versant une subvention d'immobilisations de 74 millions de dollars sur deux ans à Arctic Gateway Group Limited Partnership pour soutenir la remise en état du chemin de fer de la baie d'Hudson jusqu'à Churchill.

Résultats communautaires

- Le ministère de l'Éducation et de l'Apprentissage de la petite enfance a lancé une initiative de remboursement des frais de scolarité pour les étudiants actuellement inscrits à un programme de formation en éducation des jeunes enfants (jusqu'à 5 000 $ par année par étudiant) et a approuvé plus de 630 demandes.
- Le Manitoba a versé 60 millions de dollars en subventions aux établissements de garde d'enfants afin de soutenir les améliorations de l'infrastructure, l'élaboration de programmes et la rétention du personnel.
- Le Manitoba a collaboré avec des organismes communautaires, des fournisseurs de services de garde d'enfants existants, des divisions scolaires et d'autres partenaires pour créer 3 100 places de garderie, et s'est associé avec des municipalités rurales et des collectivités de premières nations pour bâtir 23 garderies, créant 1 670 places additionnelles.
- Dans le cadre de l'Accord entre le Canada et le Manitoba sur l'apprentissage et la garde des jeunes enfants à l'échelle du Canada, les gouvernements du Canada et du Manitoba ont affecté 37 millions de dollars à la mise en place d'une nouvelle grille salariale visant à accroître le salaire du personnel d'apprentissage et de garde des jeunes enfants au moyen d'une hausse des revenus par place s'ajoutant aux subventions d'exploitation. Le gouvernement du Manitoba a investi une somme additionnelle de 2,3 millions de dollars pour le personnel des programmes de garde des jeunes enfants. Les échelles salariales ont été mises en œuvre le 1er juillet 2022.
- Le ministère de l'Éducation et de l'Apprentissage de la petite enfance a investi 1,6 million de dollars en financement à toutes les divisions scolaires afin de soutenir la participation des aînés et des gardiens du savoir dans les écoles. Il a aussi tenu un symposium pour promouvoir la mise en commun des apprentissages et a élaboré de nouvelles lignes directrices à l'intention des divisions scolaires visant à soutenir les aînés et les gardiens du savoir dans les écoles.
- Le Manitoba a versé cinq millions de dollars pour soutenir les initiatives de santé mentale et d'autres projets lancés par les enseignants dans le cadre du Fonds des idées du personnel enseignant 2022-2023, 38 projets soutenant la santé mentale et le bien-être, et 25 projets soutenant les innovations dans les salles de classe de la province.
- Les travaux se sont poursuivis pour achever les nouvelles écoles, 14 nouvelles écoles étant soit à la phase de conception et de construction, soit achevées et en activité.
- Le ministère de la Réconciliation avec les peuples autochtones et des Relations avec le Nord a administré un nouveau Fonds des initiatives de réconciliation avec les Autochtones de cinq millions de dollars en soutien aux initiatives axées sur les Autochtones. Ce financement a été mis à la disposition des ministères pour financer les activités faisant la promotion de la

vérité et de la réconciliation, guidées par les principes de respect, de collaboration, de compréhension et d'action de la Loi sur la réconciliation du Manitoba.

- Le ministère des Familles a affecté près de 29 millions de dollars pour le soutien des services aux personnes handicapées. Une partie de cette somme était prévue pour la hausse des salaires du personnel qui fournit les services aux personnes handicapées. Les fournisseurs du Programme des services d'intégration communautaire des personnes handicapées qui servent les adultes ayant une déficience intellectuelle ont reçu un nouveau financement pour augmenter le taux horaire minimal des travailleurs de première ligne à 15,11 $ l'heure et celui des superviseurs, à 16,11 $ l'heure.

- Le ministère du Sport, de la Culture et du Patrimoine a lancé le Fonds communautaire pour les arts, la culture et le sport, dont la durée sera de deux ans. Jusqu'à 50 millions de dollars ont été accordés à 397 projets, initiatives spéciales et célébrations communautaires.

- Le ministère des Relations avec les municipalités a ajouté 140 millions de dollars au financement de base de l'infrastructure pour investir dans l'infrastructure d'alimentation en eau et de traitement des eaux usées, afin de soutenir des projets dans plusieurs collectivités et de protéger les voies navigables. Parmi ces projets, notons 40 millions de dollars à la Ville de Winnipeg pour soutenir les services d'aqueducs et d'égouts nécessaires à l'exécution de la première phase de CentrePort South, 38,5 millions de dollars pour les projets dans la ville de Portage-la-Prairie, 19,05 millions de dollars pour les projets dans la ville de Morden, et 15 millions de dollars pour les projets dans la ville de Brandon, entre autres collectivités.

- Le ministère des Relations avec les municipalités a investi un total de 25 millions de dollars dans le Programme de création de collectivités durables afin de financer les projets locaux à l'échelle de la province.

- Le gouvernement a accru les subventions d'exploitation aux municipalités et aux collectivités relevant des Affaires du Nord de 47 millions de dollars, selon une nouvelle formule de financement pour l'année civile 2023. La formule de subventions modernisée comprend une révision du calcul par habitant en fonction des données du recensement de 2021, et un calcul basé sur les besoins qui sera régulièrement revu.

- Le financement pour la Commission des services d'approvisionnement en eau du Manitoba dans l'année civile de 2023 a été augmenté de quatre millions de dollars pour soutenir les projets d'alimentation en eau et de traitement des eaux usées dans les municipalités hors de Winnipeg.

- Le programme Équipe verte locale/en milieu urbain a approuvé le financement de 717 projets, totalisant une somme de 9,5 millions de dollars qui a permis l'embauche de 2 480 jeunes.

- Le Manitoba a collaboré avec le gouvernement fédéral pour administrer le financement de 20,7 millions de dollars du Canada afin de traiter des questions des pertes d'exploitation des services de transport en commun causées par la COVID-19, soutenant les cinq collectivités du Manitoba offrant des services de transport en commun (Winnipeg, Brandon, Selkirk, Flin Flon et Thompson).

Résultats environnementaux

- Se fondant sur les commentaires du public, le gouvernement a créé un cadre de politique énergétique à long terme qui remplacera la Stratégie manitobaine d'énergie propre de 2012, pour aider à faire face aux bouleversements du paysage énergétique local, national et mondial.

- Le ministère de l'Environnement et du Climat a rendu public le cadre de travail de la Stratégie manitobaine de gestion de l'eau.

- Le Manitoba a mis en œuvre plus de 125 initiatives pangouvernementales en vertu du Plan vert et climatique visant à réduire les émissions.

- Le Manitoba a réalisé deux projets pluriannuels d'assainissement à grande échelle aux sites des anciennes mines Ruttan et Sherridon. Il a aussi lancé un nouveau programme pluriannuel d'investissements pour l'entretien et la maintenance à long terme de l'infrastructure de plus de 30 sites miniers.

- Le ministère de l'Environnement et du Climat a investi 1,5 million de dollars dans l'élargissement du Fonds pour la conservation et le climat, servant à financer des projets ayant pour but de renforcer l'économie verte du Manitoba.

- Le ministre des Ressources naturelles et du Développement du Nord, a mis en œuvre une stratégie pluriannuelle d'investissements bénéficiant aux parcs et visant à moderniser et à améliorer les terrains de camping, les routes, les sentiers et autres éléments de l'infrastructure essentielle.

Résultats concernant la sécurité communautaire

- Le ministère de la Justice a mis en œuvre des initiatives en vertu de la stratégie manitobaine de lutte contre les crimes violents, y compris un investissement de 3,2 millions de dollars dans l'unité chargée de la surveillance intensive des délinquants en liberté sous caution et dans celle chargée des mandats d'arrêt à l'encontre des personnes présentant un risque élevé, et ce, afin de garantir que les criminels les plus violents ne courent plus les rues. Il a aussi versé une subvention de 3,6 millions de dollars à l'organisme Downtown Community Safety Partnership pour contribuer à rendre le centre-ville plus sûr.
- Les villes de Thompson et de Brandon ont reçu des fonds pour établir et exploiter des centres de désintoxication.
- Le ministère des Familles a lancé la stratégie en matière d'itinérance et a augmenté le financement pour les refuges, les logements de transition et les services de mentors communautaires auprès des personnes sans-abri afin de refléter les coûts d'exploitation actuels réels.

Résultats concernant la modernisation gouvernementale

- La Commission de la fonction publique a mis en œuvre des mesures visant à rendre les lieux de travail, les produits et les services du gouvernement accessibles à tous les Manitobains, et a collaboré avec des intervenants pour donner de la formation en matière de diversité et d'inclusion aux fonctionnaires.
- La Commission a continué de fournir des programmes de développement du leadership aux fonctionnaires et d'administrer le Fonds d'apprentissage, qui soutient la formation particulière à l'emploi traitant des besoins organisationnels, offerte individuellement ou en groupe. Des occasions de perfectionnement professionnel spécialisé et novateur ont été approuvées pour 7 680 fonctionnaires.
- Le ministère de la Protection du consommateur et des Services gouvernementaux a poursuivi la mise en œuvre de l'initiative de modernisation de l'approvisionnement afin d'accroître les économies cumulées grâce aux procédures modernisées.
- Les travaux de mise en œuvre du tableau de bord équilibré se sont poursuivis au gouvernement du Manitoba pendant l'exercice financier 2022-2023 dans le but de mesurer les effets des résultats pertinents pour les Manitobains. La mesure de la performance entraîne une amélioration des résultats en présentant concrètement les résultats aux décideurs et au public. L'intégration des tableaux de bord, et du Budget complémentaire, assure la transparence au commencement de l'exercice et la reddition de compte en fin d'exercice dans les rapports annuels des ministères.

Réponse du Manitoba face à la crise en Ukraine

- Le gouvernement a mis en place un centre pour accueillir les Ukrainiens arrivant au Manitoba en vertu du programme d'Autorisation de voyage d'urgence Canada-Ukraine et pour coordonner un vaste éventail de mesures de soutien après leur arrivée. En 2022-2023, plus de 15 000 Ukrainiens se sont inscrits auprès du ministère de la Santé pour obtenir une carte de santé.
- Les services fournis par le centre d'accueil comprenaient :
  - des services d'accueil aidant à déterminer les besoins des réfugiés et de leur famille;
  - des hébergements temporaires à l'hôtel et des repas à ceux qui n'ont pas de proches au Manitoba, jusqu'à concurrence de 30 jours;
  - un accès aux services de soins de santé coordonnés par l'Office régional de la santé de Winnipeg et le ministère de la Santé du Manitoba;
  - des services d'inscription, d'aiguillage et d'orientation fournis par Manitoba Start pour faire connaître aux réfugiés les différents services de formation linguistique, d'aide à l'emploi ou d'établissement à plus long terme.
- Le gouvernement du Manitoba a également fourni de l'aide humanitaire directement à l'Ukraine.

D'autres explications sur les résultats budgétaires du gouvernement se trouvent à la section des principales réalisations des rapports annuels de chacun des ministères.

INVESTISSEMENTS DANS L’INFRASTRUCTURE STRATÉGIQUE

Le rapport sur l’infrastructure stratégique comprend les investissements en immobilisations au niveau du bilan du gouvernement, notamment les investissements directs du gouvernement dans ses propres actifs, les autres entités actives, les subventions aux municipalités, l’entretien annuel de l’infrastructure routière et hydraulique, ainsi que les prêts et les investissements en immobilisations des sociétés d’État, y compris celles qui se financent elles-mêmes. L’infrastructure stratégique comprend les routes et les ponts, l’infrastructure de traitement des eaux usées, les installations de soins de santé, les écoles M-12, les établissements d’enseignement postsecondaire, les logements sociaux, les immeubles publics et les technologies de l’information. Le rapport de cette année comprend les investissements en immobilisations de Manitoba Hydro, ainsi que d’autres sociétés d’État, dans la présentation de l’infrastructure stratégique pour brosser le tableau complet des investissements en immobilisations du secteur public.

Les immobilisations corporelles nettes du Manitoba ont une valeur comptable nette de 15,2 milliards de dollars, excluant les sociétés d’État qui communiquent la valeur des immobilisations dans leur rapport annuel. Le programme d’immobilisations de la province est fonction du coût du maintien de ces biens matériels en bon état pour soutenir la prestation des services gouvernementaux tout en investissant dans une nouvelle infrastructure qui soutiendra les besoins futurs.

Les investissements dans l’infrastructure stratégique ont dépassé 2,6 milliards de dollars. Il s’agit d’une augmentation de 250 millions de dollars par rapport à 2021-2022. Ces investissements comprenaient 2,1 milliards de dollars dans l’acquisition d’immobilisations, plus de 397 millions de dollars dans les subventions d’immobilisations aux municipalités et aux collectivités relevant des Affaires du Nord, ainsi que 158 millions de dollars dans l’entretien des routes et des voies navigables. Les domaines d’investissement comprenaient les suivants :

- Les investissements de Manitoba Hydro dans l’infrastructure se sont élevés à 676 millions de dollars.
- Les investissements d’immobilisations dans l’infrastructure routière et les investissements dans son entretien se sont élevés à 574 millions de dollars.
- Les investissements en immobilisations dans les écoles M-12 et dans les établissements d’enseignement postsecondaire ont totalisé 288 millions de dollars et les investissements dans les installations de soins de santé, 247 millions de dollars.

L’exercice 2022-2023 est demeuré une période difficile pour les investissements en infrastructure en raison de l’escalade des coûts de construction causée par la hausse des taux d’intérêt, ainsi que les pénuries de matériaux et de main-d’œuvre dans l’ensemble du secteur de la construction. Les écarts notables pour l’exercice 2022-2023 comprennent :

- Manitoba Hydro – L’écart est principalement attribuable au budget révisé du projet de Keeyask, certains risques liés au projet ne s’étant pas concrétisés, et les éventualités prévues n’ayant pas été nécessaires. Le projet est actuellement en service.
- Éducation – Les retards dans la phase de conception des nouvelles écoles afin de répondre aux exigences des intervenants ont entraîné le report de la date de commencement. Les dépenses s’élevaient à 117 millions de dollars de moins que prévu, en raison des retards du projet. Les projets retardés iront de l’avant dans les prochaines années.
- Projet de canaux de déversement du lac Manitoba et du lac St. Martin – Les dépenses inférieures aux prévisions étaient associées au calendrier des approbations environnementales fédérales, ce qui a entraîné des retards dans le projet.

Investissements dans l’infrastructure stratégique
En date du 31 mars 2023

	Budget redressé de 2023[1]	Chiffres réels de 2023	Chiffres redressés de 2022
	(en millions de dollars)		
Biens et équipement			
Santé	294	247	132
M-12 et éducation postsecondaire	405	288	321
Logement	67	57	42
Autres ministères	111	110	93
Technologies de l’information	32	31	14
	909	**733**	**602**
Réseau routier, ponts et protection contre les inondations			
Immobilisations – Réseau routier et pistes d’aéroport	474	429	404
Projet des canaux de déversement du lac Manitoba et du lac St. Martin	101	16	19
Immobilisations liées à la gestion des ressources hydriques	32	33	20
Aéronefs et équipement de transport	7	12	7
	614	**490**	**450**
Autres entités comptables			
Efficacité Manitoba	66	40	33
Autre	54	23	17
	120	**63**	**50**
Subventions d’immobilisations			
Subventions municipales	393	393	177
Collectivités relevant des Affaires du Nord	4	4	4
	397	**397**	**181**
Entretien et conservation			
Infrastructure routière	124	145	135
Immobilisations liées à la gestion des ressources hydriques	13	13	12
	137	**158**	**147**
Sociétés d’État			
Société manitobaine des alcools et des loteries	71	51	35
Société d’assurance publique du Manitoba	87	59	59
Manitoba Hydro[2]	907	676	853
	1 065	**786**	**947**
Total des investissements dans l’infrastructure stratégique	**3 242**	**2 627**	**2 377**

1 Budget redressé pour inclure les rajustements liés aux services internes et le financement additionnel.

2 Manitoba Hydro a été ajouté au rapport des investissements dans l’infrastructure stratégique en 2023, les chiffres réels redressés de 2022 sont inclus à des fins de comparaison.

Comptes publics du Manitoba

POUR L'EXERCICE TERMINÉ LE 31 MARS 2023

23

COMPTES PUBLICS DU MANITOBA

TABLE DES MATIÈRES

INTRODUCTION AUX COMPTES PUBLICS DU MANITOBA

Nature des comptes publics

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

Les renseignements fournis dans le rapport proviennent de deux sources :

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

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

Format des Comptes publics du Manitoba

Les Comptes publics du Manitoba comprennent la discussion et l'analyse des états financiers, les états financiers sommaires vérifiés du gouvernement, les rapports financiers sur le compte de stabilisation des revenus et d'autres rapports financiers prévus par la loi.

Discussion et analyse des états financiers – Cette section fournit un exposé écrit des états financiers sommaires, ainsi que des renseignements additionnels sur la performance financière et économique du gouvernement provincial. Les renseignements financiers contenus dans la section Discussion et analyse des états financiers sont tirés des états financiers sommaires pour l'exercice terminé le 31 mars 2023.

États financiers sommaires – Ces états vérifiés, préparés selon les normes comptables pour le secteur public de CPA Canada, révèlent l'incidence financière des activités du gouvernement. Seuls les états financiers sommaires du gouvernement fournissent des renseignements clés sur les activités financières de tout le gouvernement. Ces états comprennent les résultats financiers des quelque 129 organismes différents dont se sert le gouvernement pour fournir des biens et des services. Le périmètre comptable du gouvernement comprend les ministères, les entreprises commerciales, les partenariats commerciaux et les organismes, tels que les offices régionaux de la santé, les divisions scolaires, les universités et les collèges. Les ministères et les organismes compris dans le périmètre comptable du gouvernement figurent à l'annexe 8 des états financiers sommaires.

Les états financiers sommaires fournissent également les renseignements suivants sur les activités financières du gouvernement :

- la situation financière du gouvernement au 31 mars de chaque année;
- les résultats d'exploitation de l'exercice;
- les recettes et les dépenses du gouvernement (c'est-à-dire, l'excédent ou le déficit annuel);
- les sommes empruntées, remboursées ou refinancées;
- la façon dont ses fonds ont été obtenus et utilisés.

Renseignements fournis par obligation légale – Cette section comprend les rapports vérifiés sur les renseignements autres que les états financiers, y compris le compte de stabilisation des revenus et d'autres rapports précisés dans la Loi sur la gestion des finances publiques, la Loi sur la responsabilité financière et la protection des contribuables, la Loi sur l'assurance-maladie et la Loi sur les affaires du Nord. Les Comptes publics du Manitoba peuvent être consultés en ligne à l'adresse : www.manitoba.ca/government/finances/index.fr.html.

DISCUSSION ET ANALYSE DES ÉTATS FINANCIERS

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

1) **Durabilité** – mesure la capacité d'un gouvernement de maintenir ses programmes sans avoir à accroître ses emprunts.

2) **Flexibilité** – mesure la capacité d'un gouvernement de faire face à des engagements financiers grandissants en accroissant ses recettes ou en s'endettant davantage.

3) **Vulnérabilité** – mesure le degré de dépendance d'un gouvernement à l'égard de sources de recettes qui échappent à son pouvoir direct ou à son influence, sur le plan tant national qu'international.

La discussion et l'analyse des états financiers reflètent les résultats de la Province du Manitoba. Le Budget de 2022-2023 a été préparé au plein milieu d'une série d'importants événements mondiaux, notamment l'incertitude quant à la reprise suivant la pandémie de COVID-19. Afin d'avoir une perspective plus large de la situation financière actuelle de la Province du Manitoba, les lecteurs sont invités à trouver des renseignements supplémentaires dans le rapport du premier trimestre de la Province pour 2023-2024.

Les sources de données et leurs limites

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

Situation financière du gouvernement en 2022-2023

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

Durabilité

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

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

- **la dette nette en pourcentage du PIB provincial :** la relation entre la dette nette d'un gouvernement et les revenus dans l'économie;
- **la dette nette en pourcentage des recettes annuelles totales :** la mesure dans laquelle les recettes à venir serviront à payer des opérations ou des événements passés;

- **la dette nette par habitant :** la relation entre la dette nette d'un gouvernement et sa population, généralement considérée comme la meilleure mesure pour l'examen intergouvernemental de la santé gouvernementale et financière; représente le montant de la dette nette attribuée à chaque résident du Manitoba;
- **l'excédent (déficit) d'exploitation annuel :** la mesure dans laquelle un gouvernement vit selon ses moyens;
- **l'excédent (déficit) d'exploitation annuel par rapport au PIB provincial :** la relation entre l'excédent (déficit) d'exploitation d'un gouvernement et l'économie provinciale.

La demande accrue des consommateurs et les goulets d'étranglement de la chaîne d'approvisionnement suivant l'assouplissement des restrictions liées à la COVID-19, et la flambée des prix du pétrole en raison, notamment, du conflit en cours entre l'Ukraine et la Russie, ont entraîné une hausse de l'inflation plus élevée que prévu pendant l'exercice. La croissance du PIB provincial et les recettes autonomes du gouvernement se sont nettement améliorées par rapport à 2021-2022. Cette croissance des recettes, combinée aux dépenses continues du gouvernement, a entraîné un excédent. Les ratios présentés dans le rapport de discussion et d'analyse des états financiers illustrent une amélioration de la situation financière en 2022-2023 par rapport aux plans du Budget de 2022.

DETTE NETTE EN POURCENTAGE DU PIB PROVINCIAL

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

Dette nette – Le total des passifs du gouvernement, moins le total de ses actifs financiers, donne une indication des recettes futures qui devront être utilisées pour assumer financièrement des opérations ou des événements passés. La dette nette en pourcentage du PIB provincial exprime le niveau d'obligations financières que devra assumer l'économie en raison des pratiques cumulatives en matière de dépenses et de production de recettes du gouvernement. Le pourcentage représente l'ampleur de la dette du gouvernement par rapport aux résultats économiques annuels de la province.

Les investissements dans l'amélioration des immobilisations et dans le remplacement des immobilisations corporelles sujettes à la détérioration, comme les infrastructures de transport, et la constatation rétroactive d'une obligation liée à la mise hors service d'immobilisations, partiellement compensée par l'excédent d'exploitation, ont accru la dette nette.

La Province était tenue en date du 1er avril 2022, d'adopter le chapitre SP 3450, Instruments financiers, et le chapitre SP 2601, Conversion des devises (IF/FX).

Aux termes du chapitre SP 3450, les gouvernements doivent comptabiliser les dérivés comme des actifs et des passifs et mesurer les placements de capitaux propres du portefeuille à la juste valeur. Ces mesures sont latentes. Elles ne figurent pas dans l'état des recettes et des dépenses.

Aux termes du chapitre SP 2601, les gouvernements sont tenus de communiquer les soldes et les opérations, libellés en devise, au cours du change en vigueur. Les fluctuations des valeurs constituent des gains et des pertes de change latents.

Dans l'ensemble, la dette nette de la Province a augmenté de 754 millions de dollars en raison de la réévaluation des pertes sur dérivés. En outre, la Province a aussi enregistré des pertes de change latentes de 229 millions de dollars et un gain de 42 millions de dollars dans les autres éléments du résultat étendu. Ces modifications ont entraîné une hausse de la dette nette de 941 millions de dollars.

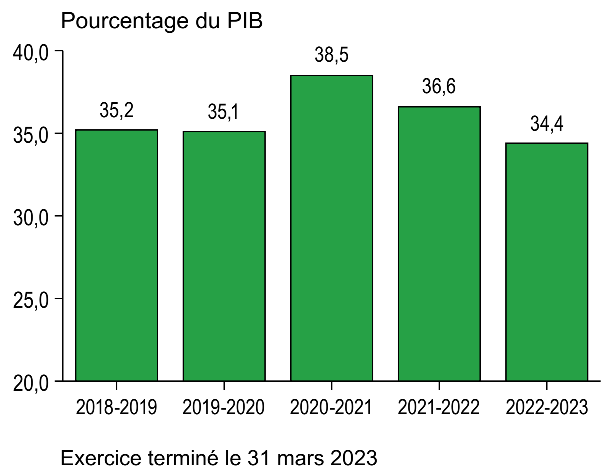
Le 1er avril 2022, la Province a mis en œuvre le chapitre SP 3280, Obligations liées à la mise hors service d'immobilisations. Aux fins de l'adoption de cette norme, la Province a utilisé l'approche rétroactive modifiée, en redressant les comparatifs de l'exercice précédent. Une obligation liée à la mise hors service d'immobilisations représente une augmentation des passifs, mais pas une hausse des actifs financiers. Une obligation liée à la mise hors service d'immobilisations entraîne une augmentation du niveau de la dette nette globale, mais la comparaison d'un exercice à l'autre n'est plus prise en compte parce que les comparatifs de 2022 sont redressés.

La croissance du PIB doit être prise en compte pour déterminer la capacité d'endettement. Le PIB est une mesure de la valeur des biens et des services produits dans la province au cours d'une année donnée. Il indique la taille de l'économie provinciale. L'économie provinciale a connu une croissance constante, passant de 73,4 milliards de dollars en 2018-2019 à 88 milliards de dollars en 2022-2023, soit une augmentation de 20 % au cours de la période de cinq ans. L'indice des prix à la consommation du Manitoba a augmenté de 7,9 % en 2022 (2021 – 3,3 %).

Le graphique 1 montre que le ratio de la dette nette au PIB, en date du 31 mars 2023, a diminué par rapport à l'exercice précédent, passant de 36,6 % à 34,4 %. Cette diminution reflète l'augmentation substantielle des recettes autonomes et la hausse considérable des revenus nets des organismes gouvernementaux au cours de l'exercice 2022-2023, qui sont partiellement compensées par les dépenses d'exploitation du gouvernement.

Graphique 1

Dette nette en pourcentage du PIB provincial



La dette nette pour 2022-2023 comprenait un gain de 42 millions de dollars dans les autres éléments du résultat étendu, enregistré par les entreprises publiques. Les autres éléments du résultat étendu représentent les gains ou les pertes non réalisés calculés à un moment donné, et peuvent avoir des effets importants sur la mesure de la dette nette. Les autres éléments du résultat étendu sont mesurés d'après la variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date lors de l'exercice antérieur.

La gestion de la dette nette tout en maintenant ou en augmentant les investissements nécessaires en immobilisations, y compris dans l'infrastructure, est un défi auquel font face toutes les provinces et tous les territoires du Canada.

DETTE NETTE EN POURCENTAGE DES RECETTES TOTALES ANNUELLES

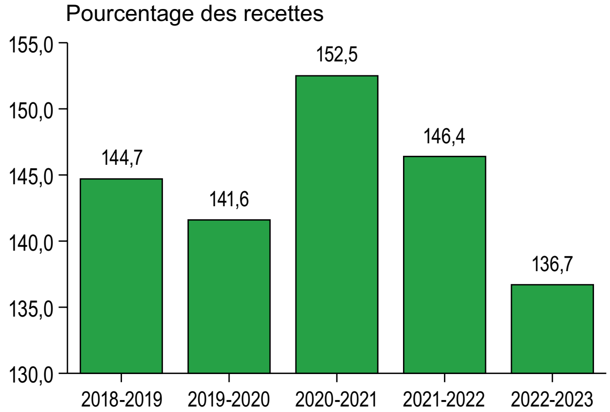
La dette nette correspond à la somme des pertes et des investissements en immobilisations corporelles accumulée d'exercice en exercice par les générations actuelles et passées. Cette somme demeure une obligation pour les générations futures de financer à même l'excédent annuel ou de continuer de reporter.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

La dette nette par rapport aux recettes annuelles totales en 2022-2023 se chiffre à 136,7 % (2021-2022 – 146,4 %). Cette diminution est directement attribuable à l'augmentation des recettes autonomes et à la hausse des revenus nets des entreprises publiques.

Le graphique 2 illustre l'évolution historique de la dette nette sur cinq ans par rapport aux recettes annuelles. Ces dernières années, cette mesure s'est stabilisée et a commencé à baisser. En 2019-2020, avant la pandémie, la dette nette par rapport aux recettes annuelles totales était à son plus bas niveau, 141,6 %, d'une période de quatre ans. Le montant de 136,7 % prévu pour 2022-2023 (2021-2022 – 146,4 %) montre que la province continue de se remettre des pressions exercées par la pandémie de COVID-19.

Graphique 2

Dette nette en pourcentage des recettes annuelles totales



Exercice terminé le 31 mars 2023

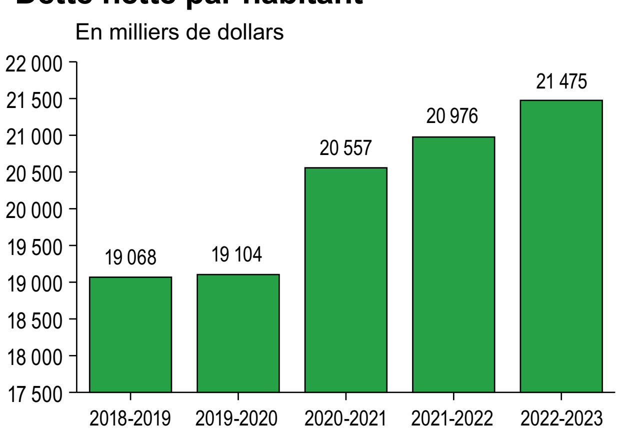
DETTE NETTE PAR HABITANT

La dette nette par habitant est une mesure de la valeur de la dette nette d'un gouvernement exprimée en fonction du montant attribuable à chaque citoyen relevant de la compétence du gouvernement. Elle se calcule habituellement en divisant la dette nette par la population de la province.

La dette nette par habitant donne une indication du degré d'endettement du gouvernement. La dette nette par habitant sert souvent à commenter l'efficacité de la politique budgétaire courante du gouvernement. Toutefois, le ratio de la dette au PIB donne une image plus complète de la santé financière réelle d'un gouvernement. Le graphique 3 montre l'évolution historique de la dette nette par habitant.

Graphique 3

Dette nette par habitant



Exercice terminé le 31 mars 2023

La dette nette par habitant a varié de 19 068 $ en 2018-2019 à 21 475 $ en 2022-2023. La dette nette par habitant a considérablement augmenté depuis 2019-2020, principalement en raison de la hausse des dépenses en réponse aux effets de la pandémie de COVID-19, des mesures de soutien fournies aux réfugiés ukrainiens qui sont arrivés au Manitoba, et de la constatation rétroactive des obligations liées à la mise hors service d'immobilisations de 2020-2021.

EXCÉDENT (DÉFICIT) D'EXPLOITATION ANNUEL

L'excédent d'exploitation annuel aide le gouvernement à maintenir ses services et à réduire ses besoins d'emprunt. Les déficits d'exploitation annuels peuvent avoir une incidence sur la capacité d'un gouvernement à fournir des services et peuvent entraîner une augmentation des besoins d'emprunt.

Le Manitoba a enregistré un excédent de 270 millions de dollars pour l'exercice terminé le 31 mars 2023. L'excédent (déficit) annuel montre dans quelle mesure le gouvernement génère plus (moins) de recettes que ses dépenses d'exploitation pendant un exercice.

Pour l'exercice financier terminé le 31 mars 2023, le Manitoba avait prévu un déficit de 548 millions de dollars. Toutefois, grâce à des recettes plus élevées que prévu et à un modeste excédent dans les dépenses, la Province a pu atteindre un excédent de 270 millions de dollars. Cela représente une hausse de 818 millions de dollars par rapport au budget de l'exercice financier.

EXCÉDENT (DÉFICIT) D'EXPLOITATION ANNUEL PAR RAPPORT AU PIB PROVINCIAL

Le ratio de l'excédent (déficit) d'exploitation au PIB provincial indique la différence entre les recettes et les dépenses en pourcentage du PIB. Il s'agit d'une mesure de la capacité d'un gouvernement à répondre à ses besoins de financement et à assurer une gestion adéquate des finances publiques.

Le tableau 1 montre l'évolution sur cinq ans des recettes annuelles, de l'excédent d'exploitation et de l'excédent (déficit) d'exploitation annuel par rapport au PIB provincial.

L'excédent (déficit) d'exploitation annuel par rapport au PIB provincial s'est amélioré en 2022-2023 en raison d'une situation excédentaire comparativement aux deux exercices précédents qui ont été touchés par la pandémie de COVID-19.

Tableau 1
Excédent (déficit) d'exploitation annuel

	Chiffres redressés de 2018-2019	Chiffres redressés de 2019-2020	Chiffres redressés de 2020-2021	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
	(en millions de dollars)				
Total des recettes	17 828	18 479	18 602	19 944	22 144
Total des dépenses	17 977	18 474	20 726	20 694	21 874
Excédent (déficit) d'exploitation	(149)	5	(2 124)	(750)	270
Excédent (déficit) d'exploitation annuel par rapport au PIB provincial	(0,2 %)	0,0 %	(2,9 %)	(0,9 %)	0,3 %

Flexibilité

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

Le Conseil sur la comptabilité dans le secteur public recommande l'usage de divers indicateurs financiers pour juger de la flexibilité d'un gouvernement. Parmi ceux-ci, on considère que les indicateurs suivants aident à apprécier la flexibilité du gouvernement du Manitoba :

- **les frais de la dette publique en pourcentage des recettes totales :** la mesure dans laquelle les décisions en matière d'emprunts restreignent la capacité d'un gouvernement de faire face à ses engagements financiers et d'assurer la prestation des services prévus;
- **les recettes autonomes en pourcentage du PIB provincial :** la mesure dans laquelle le gouvernement retire des revenus de l'économie sous forme d'impôts et de droits d'utilisation.

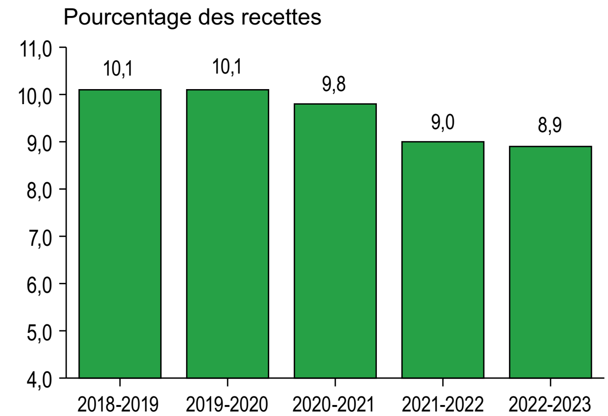
FRAIS DE LA DETTE PUBLIQUE PAR RAPPORT AUX RECETTES TOTALES

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

Le graphique 4 montre qu'en 2018-2019, le gouvernement a utilisé 10,1 cents de chaque dollar de recettes pour payer les intérêts. En 2022-2023, ce chiffre a été réduit à 8,9 cents par dollar.

Graphique 4

Frais de la dette publique en pourcentage des recettes totales



Exercice terminé le 31 mars 2023

RECETTES AUTONOMES PAR RAPPORT AU PIB PROVINCIAL

Les recettes autonomes en pourcentage du PIB provincial montrent la part de recettes qu'un gouvernement tire de l'économie provinciale sous forme d'impôts et de taxes. Les recettes autonomes ne comprennent pas les revenus nets des entreprises publiques, étant donné la nature semi-autonome de leurs activités. Leurs recettes ne proviennent pas d'impôts ou de taxes, mais de l'offre de produits ou de services.

Des ratios élevés de recettes autonomes en pourcentage du PIB ou des augmentations de ces ratios signifient qu'un gouvernement sollicite davantage l'économie de sa province, ce qui indique que ses demandes dépassent la croissance de l'économie.

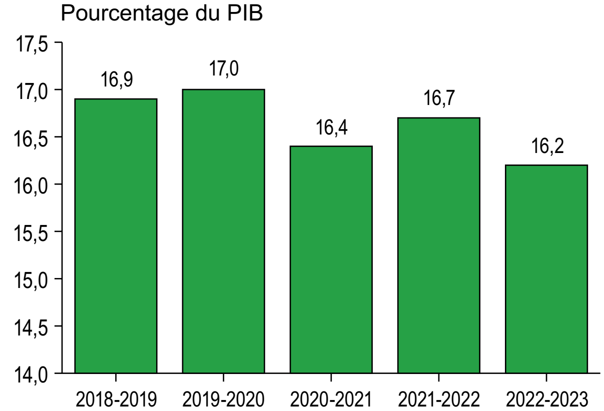
Depuis 2018-2019, les recettes autonomes du gouvernement n'ont cessé d'augmenter, sauf en 2020-2021, période à laquelle elles ont diminué de 585 millions de dollars, se chiffrant à 12,1 milliards de dollars. En 2022-2023, les recettes ont augmenté de 906 millions de dollars, soit 6,8 %, atteignant 14,3 milliards de dollars (2021-2022 – 13,4 milliards de dollars). Cela indique que le gouvernement a modifié ses demandes normales sur l'économie provinciale au cours de cette période. En 2022-2023, les principaux facteurs de l'augmentation des recettes autonomes par rapport à l'exercice précédent sont les suivants :

- Les impôts ont augmenté de 549 millions de dollars, soit 10,5 %.
- Les autres taxes ont augmenté de 300 millions de dollars, soit 6,7 %, certains éléments notables dans cette catégorie sont :
  - La taxe sur les ventes au détail, qui a augmenté de 210 millions de dollars, soit 8,8 %.
  - D'autres taxes qui ont augmenté de 55 millions de dollars, soit 8,3 %.
  - L'impôt destiné aux services de santé et à l'enseignement postsecondaire qui a augmenté de 30 millions de dollars, soit 7,8 %.
- Les recettes nettes des entreprises publiques et d'autres gains découlant de placements, qui ont augmenté de 1 087 millions de dollars, soit 338,6 %.

Le graphique 5 montre la relation entre les recettes autonomes et le PIB provincial. Le PIB a augmenté de 20 %, passant de 73,4 milliards de dollars en 2018-2019 à 88 milliards de dollars en 2022-2023. Les recettes autonomes ont augmenté de 906 millions de dollars, soit 6,8 %, en 2022-2023. Par conséquent, le ratio des recettes autonomes par rapport à l'économie (PIB) a baissé à 16,2 % en 2022-2023 (2021-2022 – 16,7 %).

Graphique 5

Recettes autonomes en pourcentage du PIB provincial



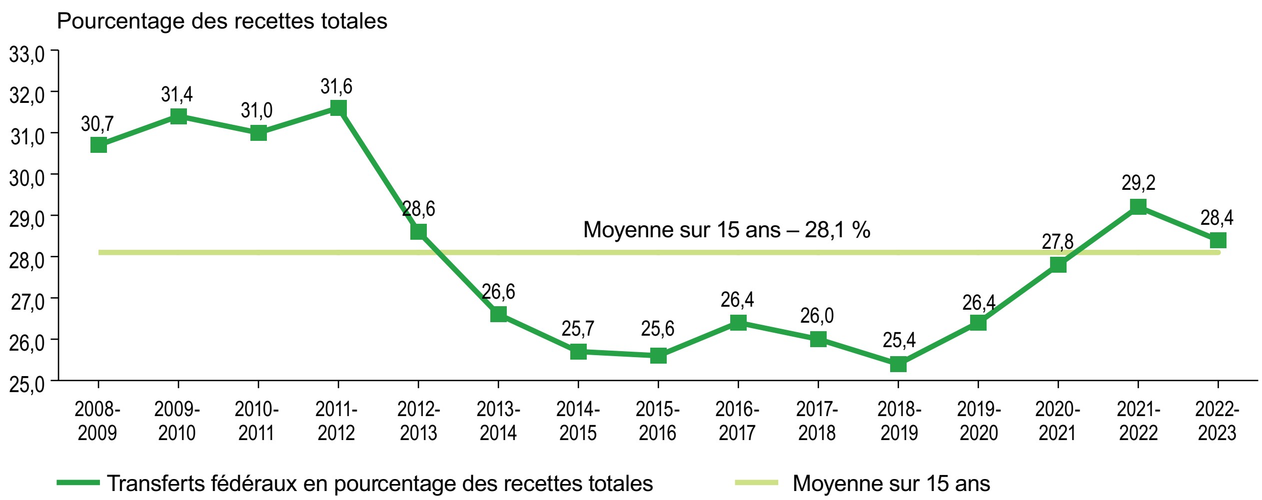
Exercice terminé le 31 mars 2023

Des fluctuations des sources extérieures de recettes liées aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'indiquent pas une augmentation sensible de la vulnérabilité d'un gouvernement du point de vue des sources de recettes.

Les transferts fédéraux en pourcentage des recettes totales constituent un indicateur recommandé de la relative vulnérabilité du gouvernement.

Graphique 6

Transferts fédéraux en pourcentage des recettes totales



Exercice terminé le 31 mars 2023

Vulnérabilité

La vulnérabilité correspond au degré de dépendance du gouvernement, et donc de vulnérabilité aux fluctuations, par rapport aux sources de recettes qui ne dépendent pas directement de lui ni de son influence. Un degré de dépendance élevé peut indiquer qu'un gouvernement compte sur des sources externes pour offrir ses programmes et services au niveau et au degré de qualité actuels.

Le Manitoba a reçu 137 millions de dollars, soit 13,8 % de plus, en recettes de programmes fédéraux ciblés à frais partagés en 2022-2023 comparativement à 2021-2022, principalement en raison du financement lié à l'accord d'aide financière en cas de sinistre.

Les transferts fédéraux (y compris le Transfert canadien en matière de santé et le Transfert canadien en matière de programmes sociaux), à l'exclusion du financement relatif à la COVID-19, ont augmenté de 455 millions de dollars, soit 7,8 %.

TRANSFERTS FÉDÉRAUX PAR RAPPORT AUX RECETTES TOTALES

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

Le graphique 6 montre que le rapport entre les principaux transferts fédéraux et les recettes totales des provinces, à l'exclusion du financement fédéral relatif à la COVID-19, est passé de 30,7 % en 2008-2009 à 28,4 % en 2022-2023 (2021-2022 – 29,2 %). Le Manitoba a connu une baisse des transferts fédéraux en pourcentage des recettes totales entre 2012-2013 et 2015-2016. Cependant, les transferts au Manitoba, y compris ceux destinés à la prestation de programmes ciblés, ont augmenté de façon constante de 2019-2020 à 2021-2022 et continuent, pour la deuxième année, à être supérieurs à la moyenne sur 15 ans de 28,1 %. Le ratio indique que la Province comptait moins sur ses recettes autonomes pour financer les programmes et services de base, ce qui fait état de la vulnérabilité progressivement croissante du Manitoba aux changements relatifs aux transferts fédéraux.

Risques et incertitudes

Le commencement de l'exercice financier 2022-2023 coïncidait avec la période de réouverture économique au Manitoba, après des mois d'imposition de mesures d'éloignement social requises en raison de la pandémie de COVID-19. La réouverture du Manitoba a généré une forte reprise encouragée par les dépenses de consommation attribuables à la demande comprimée. Toutefois, la réouverture partout dans le monde a créé d'importants défis, la demande mondiale écrasant l'offre, ce qui a causé des pressions sur les systèmes de chaîne d'approvisionnement et mené à des hausses exceptionnelles des prix des produits de consommation et de la marchandise.

La reprise économique et la réouverture mondiales ont été rapidement perturbées par l'invasion de l'Ukraine par la Russie en février 2022, introduisant de nouvelles crises en matière de production et de distribution de denrées alimentaires et d'énergie. Cette situation a amplifié les pressions inflationnistes existantes et a donné lieu à une action humanitaire internationale visant à aider les résidents ukrainiens fuyant l'invasion.

Les taux d'inflation ont rapidement bondi à des niveaux n'ayant pas été atteints depuis des décennies et, au Manitoba, ont monté jusqu'à un sommet de 9,4 % en juin 2022. Pour offrir son soutien, le gouvernement du Manitoba a dégagé des fonds additionnels pour les Manitobains, par l'intermédiaire du Programme d'abordabilité pour les familles, du Fonds d'allégement de la taxe sur le carbone, du Programme d'aide au rajustement du salaire minimum pour les petites entreprises et du Fonds de sécurité alimentaire. De plus, le Manitoba soutient et accueille un nombre étonnamment élevé d'Ukrainiens fuyant l'invasion.

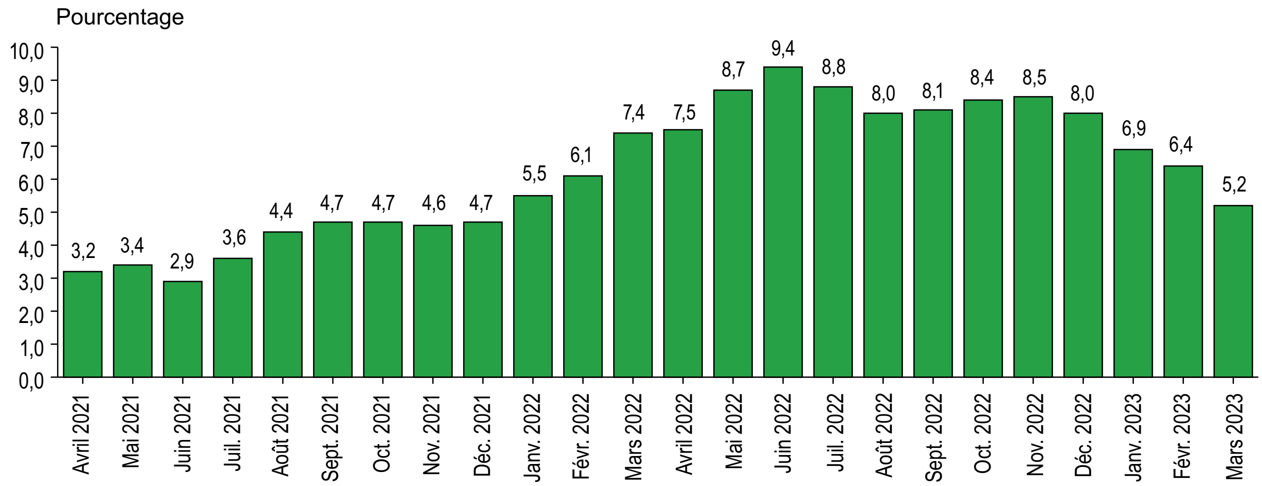
Pour tenter de corriger l'inflation et de la ramener aux niveaux cibles, les banques centrales de partout dans le monde ont haussé les taux d'intérêt. La Banque du Canada a entamé ses hausses de taux en mars 2022 et, en mars 2023, son taux avait augmenté de 425 points de base, passant de 0,25 % à 4,5 %.

Bien que la demande comprimée soit demeurée forte au cours des trois premiers mois de 2023, des signes positifs ont indiqué une stabilisation de l'inflation. Les prix de l'énergie ont connu une baisse par rapport à la croissance sur douze mois de 40,7 % en juin 2022, à 4,8 % en février 2023, alors que les incidences de l'invasion de la Russie sur les prix de l'énergie mondiaux ont commencé à s'atténuer. Globalement, l'indice d'ensemble des prix à la consommation du

Manitoba a diminué par rapport à son sommet de 9,4 % en juin 2022, pour atteindre 5,2 % à la fin de l'exercice financier. L'inflation au Canada a aussi diminué, passant de 8,1 % en juin 2022 à 4,3 % en mars 2023, mais est demeurée supérieure à la fourchette cible de 1 à 3 % de la Banque du Canada.

RALENTISSEMENT DE L'INFLATION DEPUIS SA POINTE EN 2022

Taux d'inflation du Manitoba (croissance sur douze mois)



Source : Statistique Canada

En raison d'une forte reprise économique, les conditions du marché du travail du Manitoba étaient resserrées en 2022, le taux de chômage atteignant un plancher de 4 % en juin et en juillet 2022. Les conditions se sont quelque peu assouplies en 2023, en partie grâce à une croissance de la population active alimentée par l'immigration, entraînant une légère montée du taux de chômage à 4,9 % en juillet 2023. La croissance de l'emploi demeure ferme en 2023, augmentant de 2,1 %.

Les conditions d'emploi solides, combinées à une croissance économique plus importante que prévu et à une inflation persistante, ont fourni à la Banque du Canada une justification pour hausser davantage les taux d'intérêt jusqu'à 4,75 % en juin 2023 et à 5 % en juillet 2023. À 5 %, le taux d'intérêt est à son plus haut niveau depuis 2001.

Ces hausses marquées des taux d'intérêt au cours des dix-huit derniers mois devraient entraîner des risques économiques, puisque les coûts d'emprunt en hausse commencent à freiner la demande, particulièrement pour les articles à coût élevé qui sont généralement achetés au moyen d'une gamme d'instruments de crédit sensibles aux taux d'intérêt.

Les coûts moyens de l'intérêt hypothécaire sont considérablement plus élevés qu'il y a un an, et il existe des signes indiquant que les dépenses au détail discrétionnaires s'adoucissent et pourraient continuer de ralentir, car les ménages renouvelleront leurs prêts hypothécaires à des taux plus élevés. La part du revenu disponible des ménages consacrée au paiement des dettes est susceptible d'augmenter pour atteindre des niveaux records pendant la deuxième moitié de l'année, contribuant encore davantage au ralentissement des dépenses des consommateurs.

Les événements climatiques (p. ex., sécheresse, inondations, incendies échappés) ajoutent des pressions additionnelles sur les dépenses et présentent un risque pour l'économie et les finances de la province. En 2022-2023, les pressions sur les dépenses étaient accrues par la prise de mesures d'assainissement pour les inondations printanières de 2022 et par les coûts d'extinction des incendies échappés plus élevés que prévu. Les conditions plus sèches en 2023, combinées aux menaces d'incendies échappés, pourraient nuire aux rendements des principales cultures en 2023. Les tensions géopolitiques constituent une menace à la stabilité économique mondiale. L'invasion de l'Ukraine par la Russie a déclenché des crises alimentaire et énergétique, les prix du blé et des engrais, ainsi que du pétrole et du gaz naturel, ayant connu une flambée après l'invasion.

L'économie mondiale se redresse progressivement, et les prix de l'énergie et des denrées alimentaires ont maintenant baissé par rapport à leurs sommets causés par la guerre. Néanmoins, le conflit entre la Russie et l'Ukraine continue de comporter un risque géopolitique en 2023. Il a engendré une crise humanitaire et, sans cessation des hostilités ou solution diplomatique en vue, il y a un risque d'escalade intentionnelle ou accidentelle, qui pourrait entraîner de nouvelles perturbations pour les chaînes d'approvisionnement et les marchés de marchandises.

Maintenant que l'explosion de la demande suivant la COVID-19 diminue et que les taux d'intérêt élevés commencent à influer sur la demande, le ralentissement de l'activité économique aplatira probablement la production de revenus à court terme. Le Manitoba continuera de surveiller et d'évaluer ces développements dans le cadre de sa planification financière afin de demeurer fidèle aux objectifs financiers du cadre de planification à moyen terme.

L'exposition globale du gouvernement aux risques et aux incertitudes résulte de variables qui ne dépendent pas directement de lui. Il s'agit notamment :

- des facteurs économiques tels que l'inflation, le taux de change et les prix des produits de base;
- des phénomènes météorologiques extrêmes;
- des réformes fiscales dans d'autres territoires de compétence qui peuvent modifier de façon importante la planification fiscale et la compétitivité fiscale;
- des changements dans les transferts fédéraux;
- des obstacles au commerce, y compris les droits de douane sur les importations et les exportations;
- des retards imprévus dans les investissements en immobilisations prévus en raison d'obligations environnementales ou autres;
- du rendement financier des sociétés d'État, en particulier Manitoba Hydro;
- des résultats de procès, d'arbitrages ou de négociations avec des tiers;
- des taux d'utilisation des services gouvernementaux comme les soins de santé, les services à l'enfance et à la famille ou l'aide à l'emploi.

Principales sensibilités des perspectives financières

Variable	**Augmentation de :**	**Incidence annuelle sur le plan fiscal (en millions de dollars)**
PIB nominal	1 point de pourcentage	143,0
Taux d'intérêt	1 point de pourcentage	(38,0)
Endettement	500 millions de dollars	(22,0)

Analyse des écarts et des principales évolutions de l'excédent (déficit) d'exploitation

	Budget de 2022-2023	Chiffres réels de 2022-2023	Chiffres réels redressés de 2021-2022	Écart : Chiffres de 2022-2023 par rapport aux chiffres de 2021-2022	Écart : Chiffres réels par rapport au budget de 2022-2023
			(en millions de dollars)		
RECETTES					
Impôts	4 958	5 794	5 245	549	836
Autres taxes et impôts	4 656	4 785	4 485	300	129
Droits et autres recettes	2 528	2 497	2 479	18	(31)
Recouvrement par les entreprises publiques et d'autres gains découlant de placements	1 171	1 190	1 151	39	19
Réserve pour éventualités	(200)	–	–	–	200
Total des recettes autonomes	13 113	14 266	13 360	906	1 153
Entreprises publiques	834	1 408	321	1 087	574
Transferts fédéraux	6 250	6 470	6 263	207	220
Total des recettes	20 197	22 144	19 944	2 200	1 947
DÉPENSES					
Assemblée législative	53	58	48	10	5
Conseil exécutif	8	7	6	1	(1)
Éducation postsecondaire et Formation	1 662	1 567	1 518	49	(95)
Agriculture	496	408	644	(236)	(88)
Protection du consommateur et Services gouvernementaux	406	532	512	20	126
Développement économique, Investissement et Commerce	183	236	292	(56)	53
Éducation et Apprentissage de la petite enfance	3 488	3 639	3 308	331	151
Environnement et Climat	151	132	127	5	(19)
Familles	2 108	2 198	2 355	(157)	90
Finances	70	334	173	161	264
Santé	7 247	7 572	7 279	293	325
Réconciliation avec les peuples autochtones et Relations avec le Nord	32	39	43	(4)	7
Justice	773	758	760	(2)	(15)
Travail et Immigration	28	27	23	4	(1)
Santé mentale et Mieux-être de la communauté	399	398	376	22	(1)
Relations avec les municipalités	421	633	420	213	212
Ressources naturelles et Développement du Nord	152	149	134	15	(3)
Commission de la fonction publique	40	40	37	3	–
Aînés et Soins de longue durée	54	28	–	28	(26)
Sport, Culture et Patrimoine	127	151	92	59	24
Transport et Infrastructure	596	591	505	86	(5)
Crédits d'autorisation	125	27	31	(4)	(98)
Urgences diverses	100	266	135	131	166
Allégements fiscaux	157	121	72	49	(36)
Service de la dette	1 869	1 963	1 804	159	94
Total des dépenses	20 745	21 874	20 694	1 180	1 129
Excédent (déficit) d'exploitation	(548)	270	(750)	1 020	818

Le gouvernement a terminé l'exercice 2022-2023 avec un excédent de 270 millions de dollars, soit 818 millions de dollars de plus que la perte nette de 548 millions de dollars prévue dans le budget. Les recettes totales étaient de 22 144 millions de dollars et les dépenses totales de 21 874 millions de dollars.

ANALYSE DES RECETTES

Les facteurs les plus importants à l'origine des écarts dans les recettes par rapport au budget de 2022-2023 sont :

- Les impôts étaient de 836 millions de dollars, soit 16,9 %, de plus que le budget. Au début de 2023, le ministère des Finances a mis en œuvre une modification de la méthode de calcul des estimations de l'impôt sur le revenu des particuliers et de l'impôt sur les bénéfices des sociétés. Ce changement résultait des travaux dont le ministère des Finances a chargé Deloitte Canada en 2022 et tient compte des données économiques propres au Manitoba pour prévoir les impôts sur le revenu des particuliers et les impôts sur les bénéfices des sociétés. La modification se voulait un rajustement ponctuel des recettes devant être réalisé pendant l'exercice en cours conformément aux normes comptables, accroissant les recettes de 2022-2023.
- Les autres impôts étaient de 129 millions de dollars, soit 2,8 % de plus que le budget, principalement en raison des recettes plus élevées tirées de la taxe sur les ventes au détail reflétant des dépenses de consommation accrues et des prix plus élevés.
- Les recettes nettes des entreprises publiques s'élevaient à 574 millions de dollars, soit 68,8 % de plus que le budget de 834 millions de dollars. Les hausses de Manitoba Hydro étaient attribuables à des prix du marché plus élevés, à des recettes d'électricité intérieures plus élevées, à des conditions hydrauliques favorables ainsi qu'à une réduction du loyer de l'énergie hydraulique et des droits de garantie de la dette payés à la Province, qui ont entraîné des recettes nettes dépassant le budget de 518 millions de dollars. En outre, les recettes nettes de la Société manitobaine des alcools et des loteries s'élevaient à 106 millions de dollars de plus que le budget.
- Les transferts fédéraux s'élevaient à 220 millions de dollars, soit 3,5 %, de plus que le budget. L'augmentation reflète en partie un transfert unique lié à la COVID-19 pour réduire les retards chirurgicaux et diagnostiques causés par la pandémie, et d'autres dons de fournitures pour la pandémie, ainsi que les revenus issus de l'accord d'aide financière en cas de sinistre pour le partage des coûts liés aux inondations printanières de 2022.

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

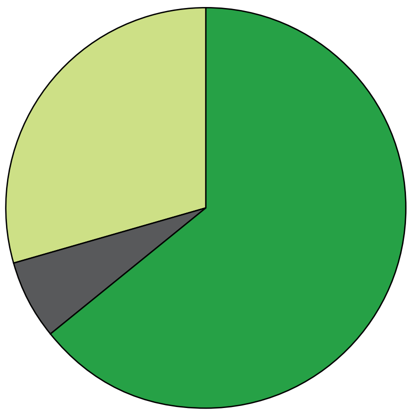
Analyse de l'évolution des recettes par source

	Chiffres redressés de 2018-2019	Chiffres redressés de 2019-2020	Chiffres redressés de 2020-2021	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
			(en millions de dollars)		
Impôts	4 234	4 515	4 199	5 245	5 794
Taxe sur les ventes au détail	2 472	2 262	2 208	2 387	2 597
Taxes sur les carburants	347	338	299	323	323
Impôt destiné à l'enseignement et aux services de santé	376	385	370	385	415
Impôt foncier pour l'éducation	847	874	895	728	733
Autres taxes et impôts	643	633	657	662	717
Droits et autres recettes	2 341	2 465	2 291	2 479	2 497
Transferts fédéraux	4 531	4 879	5 900	6 263	6 470
Recettes nettes tirées des entreprises publiques	919	913	600	321	1 408
Recouvrement par les entreprises publiques et d'autres gains découlant de placements	1 118	1 215	1 183	1 151	1 190
Total des recettes	17 828	18 479	18 602	19 944	22 144

Le tableau suivant illustre les principales sources des recettes du gouvernement pour 2022-2023. La majorité des recettes, soit 64,4 %, sont générées par les sources autonomes du Manitoba.

Sources de recettes pour l'exercice terminé le 31 mars 2023

Pourcentage



Les recettes totales en 2022-2023 s'élevaient à 22 144 millions de dollars, soit une augmentation de 2 200 millions de dollars ou 11 % par rapport à 2021-2022.

Les principaux facteurs expliquant les écarts des recettes par rapport à l'exercice précédent sont les suivants :

- Les impôts étaient de 5 794 millions de dollars, en hausse de 549 millions de dollars, soit 10,5 %, par rapport à 2021-2022, principalement en raison des hausses du PIB ainsi qu'aux modifications des estimations réalisées par le ministère des Finances en 2023, qui, ensemble, ont entraîné des hausses de 428 millions de dollars et de 121 millions de dollars en impôts sur les bénéfices des sociétés et en impôt sur le revenu des particuliers, respectivement.
- Les transferts fédéraux s'élevaient à 6 470 millions de dollars, une hausse de 207 millions de dollars, soit 3,3 %, par rapport à 2021-2022, principalement en raison d'une hausse de 214 millions de dollars, de 137 millions de dollars et de 84 millions de dollars en transferts aux fins de la péréquation, en coûts partagés et en transferts canadiens en matière de santé, respectivement, ainsi que d'une diminution des transferts liés à la COVID-19.
- Les entreprises publiques ont généré 1 087 millions de dollars additionnels en recettes nettes, par rapport à 2021-2022. Parmi les facteurs liés à cette hausse importante, notons :
  - La Société manitobaine des alcools et des loteries a connu une augmentation des recettes de 144 millions de dollars, principalement en raison de la reprise complète des activités normales, comme la loterie vidéo, et d'une participation plus élevée aux casinos provinciaux.
  - Les revenus nets de Manitoba Hydro ont augmenté de 886 millions de dollars. Cette hausse était attribuable aux niveaux d'eau et aux prix d'exportation favorables pendant l'exercice en cours, comparativement aux conditions de sécheresse de l'exercice précédent. En outre, la Province a réduit les droits de garantie de la dette et le loyer de l'énergie hydraulique en 2022-2023.
- Les autres impôts et taxes se chiffraient à 4 785 millions de dollars, une augmentation de 300 millions de dollars, soit 6,7 %, par rapport à 2021-2022, principalement due à une hausse de 210 millions de dollars provenant de la taxe sur les ventes au détail et à une hausse de 83 millions de dollars provenant des impôts et taxes des sociétés, et qui est partiellement compensée par des pertes modérées de la taxe sur le tabac, et de la taxe sur les transferts fonciers.

ANALYSE DES DÉPENSES

Les principaux facteurs à l'origine des écarts dans les dépenses par rapport au budget de 2022-2023 sont les suivants :

- Les dépenses du ministère de l'Agriculture s'élevaient à 88 millions de dollars, soit 17,7 %, de moins que le budget en raison des indemnisations moins élevées que prévu pour les programmes d'Agri-protection et d'assurance contre la grêle.
- Les dépenses du ministère de l'Éducation et de l'Apprentissage de la petite enfance ont dépassé le budget redressé de 2022-2023 de 151 millions de dollars, soit 4,3 %, en raison des coûts de développement des immobilisations liés aux établissements de centres de garde préfabriqués, ainsi que d'une hausse des dépenses des divisions scolaires pour les salaires, les fournitures et les services.
- Les dépenses du ministère de la Protection du consommateur et des Services gouvernementaux enregistrent un dépassement de budget de 126 millions de dollars, soit 31 %, principalement en raison de la distribution de fournitures liées à la pandémie qui avaient été données par le gouvernement fédéral, ainsi que de la hausse des frais de réparation et d'entretien des véhicules plus âgés du parc de véhicules à la suite de problèmes dans la chaîne d'approvisionnement nuisant à la livraison de nouveaux véhicules.
- Les dépenses du ministère des Familles enregistrent un dépassement de budget de 90 millions de dollars, soit 4,3 %, principalement en raison des coûts additionnels associés aux services et aux mesures de soutien offerts aux Ukrainiens, aux initiatives de la Stratégie du Manitoba en matière d'itinérance, aux réparations et à l'entretien des logements de Logement Manitoba, et aux passifs éventuels.
- Les dépenses du ministère de la Santé ont dépassé le budget de 325 millions de dollars, soit 4,5 %, reflétant largement les pressions sur les dépenses des offices régionaux de la santé, et la hausse des prix et des volumes du Régime d'assurance-médicaments. Les écarts comprennent également les dépenses liées à la mise en œuvre du Plan d'action sur les ressources humaines en santé, axé sur la préservation, la formation et le recrutement de professionnels de la santé.
- Les dépenses du ministère des Finances enregistrent un dépassement de budget de 264 millions de dollars, soit 377,1 %, en raison des programmes d'abordabilité pour les familles et d'allégement de la taxe sur le carbone, financés par un mandat spécial.
- Les dépenses du ministère des Relations avec les municipalités enregistrent un dépassement de budget de 212 millions de dollars, soit 50,4 %, en raison de la hausse du financement pour les projets municipaux d'alimentation en eau et de traitement des eaux usées, du financement commun d'exploitation des municipalités et des subventions de transport en commun du gouvernement fédéral.
- Le service de la dette était de 94 millions de dollars, soit 5 %, de plus que prévu, principalement en raison de taux d'intérêt supérieurs aux prévisions, combinés à une hausse des emprunts nécessaires au cours de l'exercice.
- Les crédits d'autorisation étaient de 98 millions de dollars, soit 78,4 %, de moins que prévu, principalement en raison de la non-réalisation du transfert des responsabilités des Aéroports et service de traversiers du Nord.
- Les Urgences diverses rapportent un dépassement de budget de 166 millions de dollars, soit 166 %, en raison de la gestion des inondations printanières de 2022 par le Programme d'aide financière aux sinistrés.

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

Dépenses par fonction

Les dépenses par fonction fournissent un résumé des principaux secteurs de dépenses du gouvernement et des changements dans les dépenses par rapport à l'exercice précédent.

Analyse de l'évolution des dépenses par fonction

	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
	(en millions de dollars)	
Assemblée législative	48	58
Conseil exécutif	6	7
Éducation postsecondaire et Formation	1 518	1 567
Agriculture	644	408
Protection du consommateur et Services gouvernementaux	512	532
Développement économique, Investissement et Commerce	292	236
Éducation et Apprentissage de la petite enfance	3 308	3 639
Environnement et Climat	127	132
Familles	2 355	2 198
Finances	173	334
Santé	7 279	7 572
Réconciliation avec les peuples autochtones et Relations avec le Nord	43	39
Justice	760	758
Travail et Immigration	23	27
Santé mentale et Mieux-être de la communauté	376	398
Relations avec les municipalités	420	633
Ressources naturelles et Développement du Nord	134	149
Commission de la fonction publique	37	40
Aînés et Soins de longue durée	–	28
Sport, Culture et Patrimoine	92	151
Transport et Infrastructure	505	591
Crédits d'autorisation	31	27
Urgences diverses	135	266
Allégements fiscaux	72	121
Service de la dette	1 804	1 963
Total des dépenses par fonction	20 694	21 874

Remarque : Les dépenses réelles pour le ministère des Aînés et des Soins de longue durée étaient inférieures à 500 000 $ en 2021-2022. À des fins d'affichage, cela est indiqué comme étant zéro.

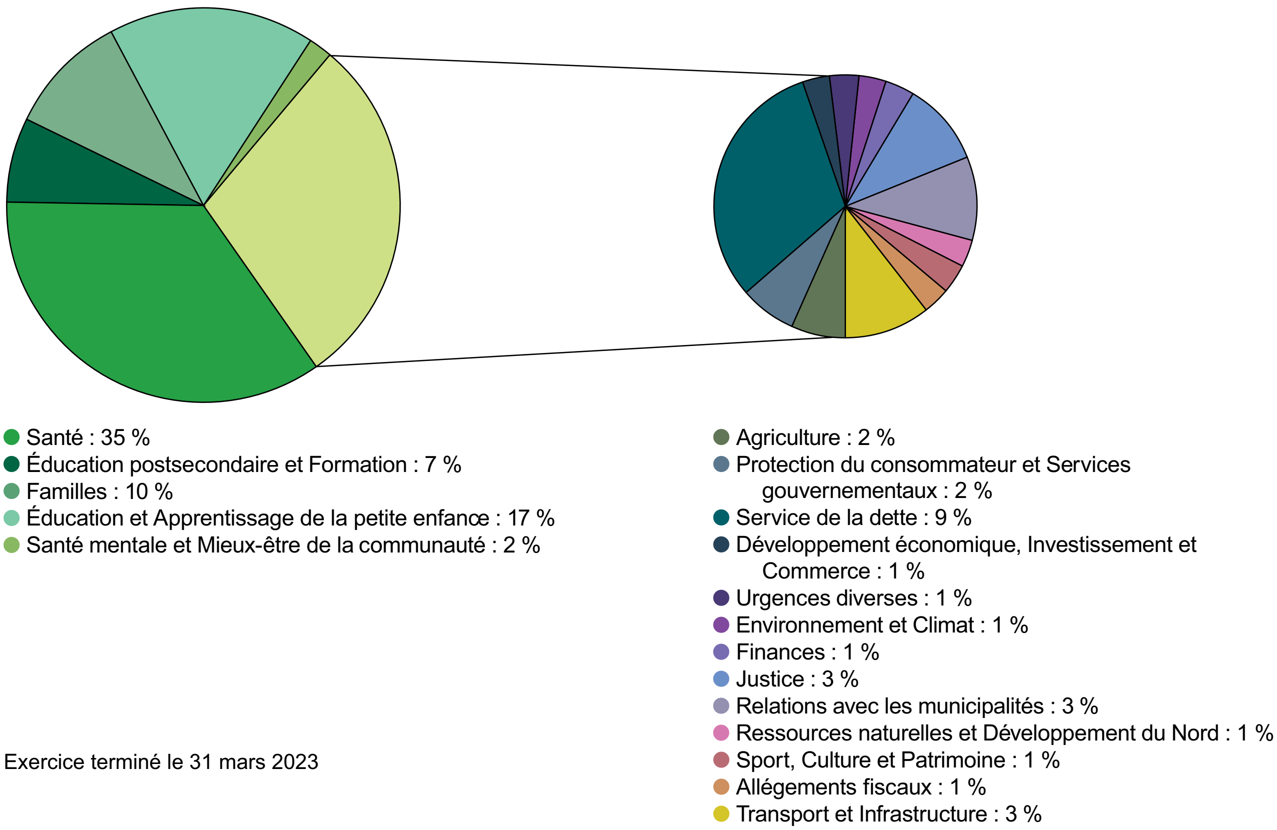
Les dépenses totales étaient de 21 874 millions de dollars en 2022-2023, ce qui constitue une augmentation de 1 180 millions de dollars, soit 5,7 %, par rapport aux montants redressés de 2021-2022. Les principaux facteurs à l'origine des écarts dans les dépenses par rapport à l'exercice précédent sont les suivants :

- Les dépenses du ministère de l'Éducation et de l'Apprentissage de la petite enfance ont augmenté de 331 millions de dollars, soit 10 %, principalement en raison de la hausse des dépenses des divisions scolaires pour les coûts plus élevés des salaires, des fournitures et des services, ainsi qu'en raison de la hausse des dépenses liées au soutien fédéral plus élevé des nouveaux programmes de garde d'enfants en vertu de l'Accord entre le Canada et le Manitoba sur l'apprentissage et la garde des jeunes enfants à l'échelle du Canada.
- Les dépenses du ministère de l'Agriculture ont baissé de 236 millions, soit 36,6 %, en raison de la baisse des volumes de réclamations en 2022-2023 à la suite d'une année de réclamations élevées, qui a été partiellement compensée par des primes de réassurance accrues.
- Les dépenses du ministère des Familles ont baissé de 157 millions de dollars, soit 6,7 %, en raison des incidences amoindries de la COVID-19 et des passifs éventuels compensés par le soutien additionnel fourni aux Ukrainiens, de la hausse du nombre de dossiers et d'autres mesures en matière de prix et de volumes.
- Les dépenses du ministère des Finances ont augmenté de 161 millions de dollars, soit 93,1 %, principalement en raison des programmes d'abordabilité pour les familles et d'allégement de la taxe sur le carbone.
- Les dépenses du ministère de la Santé ont connu une hausse de 293 millions de dollars, soit 4 %, principalement en raison de l'augmentation du financement des services de soins de courte durée, de l'augmentation des salaires du personnel de la santé, de la hausse des coûts attribuables aux problèmes de la chaîne d'approvisionnement en médicaments, des services transfusionnels, et des services d'intervention et de transport en cas d'urgence, ce qui comprend également les besoins en approvisionnement pour réduire la propagation de la COVID-19 dans toutes les opérations de santé.
- Les dépenses du ministère des Relations avec les municipalités ont augmenté de 213 millions de dollars, soit 50,7 %, en raison des programmes de subventions ponctuelles, notamment pour les réparations des routes et l'infrastructure stratégique, et du fonds d'exploitation des municipalités financé en vertu d'un mandat spécial.
- Les dépenses du ministère du Transport et de l'Infrastructure ont augmenté de 86 millions de dollars, soit 17 %, principalement en raison du financement par subventions de grands projets de construction, comme la remise en état du chemin de fer de la baie d'Hudson, et de l'Administration aéroportuaire régionale de Thompson, ainsi que de la hausse des frais de la Société d'assurance publique du Manitoba pour l'application de la Loi sur les conducteurs et les véhicules en 2022-2023.
- Les dépenses du ministère de l'Éducation postsecondaire et de la Formation ont augmenté de 49 millions de dollars, soit 3,2 %, principalement en raison de la hausse des coûts liés à la reprise des activités touchées par les fermetures de la COVID-19, des pressions inflationnistes et des hausses salariales.
- Les dépenses d'Urgences diverses ont augmenté de 131 millions de dollars, soit 97 %, principalement en raison des coûts du programme de gestion des inondations printanières de 2022.
- Les frais de service de la dette ont augmenté de 159 millions de dollars, soit 8,8 %, principalement en raison de la hausse des taux d'intérêt.

Le diagramme suivant illustre les dépenses du gouvernement par fonction. Les ministères situés à gauche du tableau représentent 71 % des dépenses d'exploitation totales dans le bilan du gouvernement.

Dépenses par fonction

Pourcentage



Exercice terminé le 31 mars 2023

Les dépenses des programmes, qui représentent les dépenses totales, soustraction faite des frais de service de la dette, ont augmenté par rapport à 2021-2022, principalement en raison des hausses des dépenses au sein des ministères de l'Éducation et de l'Apprentissage de la petite enfance, des Finances, de la Santé, des Relations avec les municipalités et du Transport et de l'Infrastructure, ainsi que du poste des Urgences diverses.

En 2022-2023, le ratio des dépenses totales au PIB s'élevait à 24,9 % (2021-2022 – 25,9 %), tandis que les dépenses de programme par rapport au PIB s'élevaient à 22,6 % (2021-2022 – 23,7 %).

Les dépenses totales exprimées en pourcentage des recettes totales étaient de 98,8 % en 2022-2023 (2021-2022 – 103,8 %). Un ratio de dépenses supérieur à 100 % signifie que les dépenses ont dépassé les recettes, ce qui entraîne un déficit. Un ratio inférieur à 100 % indique que les recettes ont dépassé les dépenses, ce qui entraîne un excédent.

Type de dépense

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

Analyse de l'évolution des dépenses par type

	Chiffres redressés de 2018-2019	**Chiffres redressés de 2019-2020**	**Chiffres redressés de 2020-2021**	**Chiffres redressés de 2021-2022**	**Chiffres réels de 2022-2023**
	(en millions de dollars)				
Services du personnel	8 070	8 241	8 759	9 041	9 215
Subventions et paiements de transfert	2 542	2 855	3 747	2 768	3 956
Transports	167	182	158	154	182
Communication	72	75	77	99	102
Fournitures et services	1 954	2 035	2 509	2 406	2 500
Aide sociale	1 855	1 728	1 631	1 982	1 722
Autres dépenses d'exploitation	693	632	1 028	1 513	1 257
Service de la dette	1 800	1 875	1 827	1 804	1 963
Dépenses en immobilisations secondaires	101	106	207	108	135
Amortissement	723	745	783	819	842
Total des dépenses par type	17 977	18 474	20 726	20 694	21 874

La répartition globale des dépenses par type était assez cohérente, par rapport aux résultats de 2021-2022. Les types de dépenses qui suivent ont varié de façon plus importante par rapport à l'exercice précédent.

Les services de personnel, la plus grande dépense de la province, en pourcentage des dépenses totales, ont baissé à 42,1 % (2021-2022 – 43,7 %).

Les subventions et les paiements de transfert ont grimpé à 18,1 % (2021-2022 – 13,4 %), l'aide sociale a baissé à 7,9 % (2021-2022 – 9,6 %) et les autres frais d'exploitation ont baissé à 5,7 % (2021-2022 – 7,3 %).

Dépenses par catégorie

L'analyse des dépenses par catégorie fournit un examen secondaire de la manière dont les dépenses de la Province sont classées et du secteur qui bénéficie du plus grand soutien.

Analyse de l'évolution des dépenses par catégorie

	Chiffres redressés de 2018-2019	Chiffres redressés de 2019-2020	Chiffres redressés de 2020-2021	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
	(en millions de dollars)				
Santé	6 663	6 962	7 510	7 758	8 107
Emploi et développement économique	4 667	4 700	5 051	5 224	5 570
Familles	2 312	2 271	2 152	2 470	2 307
Développement des collectivités et des ressources	1 935	1 724	2 140	1 936	2 010
Justice et autres dépenses	1 647	1 487	2 383	2 050	2 275
Administration générale (note a)	965	1 716	1 917	1 725	2 032
Rajustements (note b)	(212)	(386)	(427)	(469)	(427)
Total des dépenses par catégorie	17 977	18 474	20 726	20 694	21 874

Note a : La catégorie de l'administration générale comprend les recettes provenant de sources qui ne peuvent pas être attribuées à un secteur en particulier. Elle comprend aussi les dépenses liées aux services d'urgence et à l'aide aux sinistrés.

Note b : Des rajustements de consolidation sont nécessaires pour rendre les secteurs conformes aux méthodes comptables du gouvernement et pour éliminer les opérations entre secteurs.

Les dépenses ont augmenté de 3 897 millions de dollars, soit 21,7 %, au cours des cinq dernières années.

Au cours des cinq dernières années, la santé a représenté en moyenne 37,1 % des dépenses globales de la Province, tandis que l'éducation et le développement économique ont représenté en moyenne 25,3 %, les familles 11,6 %, le développement des collectivités et des ressources 9,8 % et la justice et les autres dépenses 9,8 % au cours de cette même période. Les cinq différents secteurs ont été stables et présentent de très faibles fluctuations des dépenses lorsqu'on les compare d'un exercice à l'autre.

ACTIFS FINANCIERS

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

Analyse de l'évolution des actifs financiers

	Chiffres redressés de 2018-2019	Chiffres redressés de 2019-2020	Chiffres redressés de 2020-2021	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
	(en millions de dollars)				
Trésorerie et équivalents de trésorerie	2 720	2 780	3 018	3 407	2 746
Sommes à recevoir	1 867	1 857	1 946	2 333	2 541
Stocks pour revente	42	30	25	17	15
À recevoir de la Régie de l'hydro-électricité du Manitoba	21 501	23 078	23 936	24 587	24 421
Instruments financiers dérivés	–	–	–	–	2 055
Placements de portefeuille	2 148	2 359	3 168	3 031	4 114
Prêts et avances	1 529	1 604	1 591	1 438	1 549
Actif net des entreprises publiques	3 035	3 411	3 829	3 832	4 541
Actif net des partenariats commerciaux publics	20	20	20	20	20
Total des actifs financiers	32 862	35 139	37 533	38 665	42 002

La Province a adopté depuis le 1er avril 2022 le chapitre SP 3450, Instruments financiers (IF). La nouvelle norme exige l'inclusion des actifs dérivés dans le bilan, en plus des placements de capitaux propres du portefeuille à la juste valeur. Cette norme a été mise en œuvre prospectivement et il n'y a pas de période de redressement préalable, la comparaison avec l'exercice précédent est donc directement touchée. Les actifs financiers ont augmenté de 3 337 millions de dollars, soit 8,6 %, par rapport à 2021-2022. Cette hausse est principalement due à une baisse de 661 millions de dollars, soit 19,4 %, de la trésorerie et des équivalents de trésorerie, à un solde des dérivés de 2 055 millions de dollars, à une hausse des placements de portefeuille de 1 083 millions de dollars, soit 35,7 %, et à une hausse des actifs nets dans les entreprises publiques de 709 millions de dollars, soit 18,5 %.

PASSIFS

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

La Province a adopté depuis le 1er avril 2022 le chapitre SP 3450, Instruments financiers (IF). La nouvelle norme exige l’inclusion des actifs dérivés dans le bilan. Elle a été mise en œuvre prospectivement et il n’y a pas de période de redressement préalable, la comparaison avec l’exercice précédent est donc directement touchée.

Les modifications en 2022-2023 par rapport à 2021-2022 comprennent les suivantes : les passifs totaux ont augmenté de 4 402 millions de dollars, soit 6,5 %, la dette assumée par les contribuables, de 700 millions de dollars, soit 2,2 %, l’obligation découlant des régimes de retraite, de 110 millions de dollars, soit 3,2 %, et les créditeurs et les charges à payer, de 915 millions de dollars, soit 13,9 %. Les passifs de 2022-2023 comprenaient une constatation rétroactive pour la nouvelle norme comptable SP 3280, Obligations liées à la mise hors service d’immobilisations, avec un solde de 757 millions de dollars (2021-2022 – 788 millions de dollars).

Analyse de l’évolution des passifs

	Chiffres redressés de 2018-2019	Chiffres redressés de 2019-2020	Chiffres redressés de 2020-2021	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
	(en millions de dollars)				
Dette assumée par les contribuables	29 166	29 272	31 339	32 398	33 098
Emprunts pour le compte de la Régie de l’hydro-électricité du Manitoba	21 501	23 078	23 936	24 587	24 421
Créditeurs, charges à payer, provisions et produit constaté d’avance	4 376	5 123	6 543	6 603	7 518
Instruments financiers dérivés	–	–	–	–	2 874
Obligations liées à la mise hors service d’immobilisations	700	730	760	788	757
Obligation découlant des régimes de retraite	2 914	3 107	3 321	3 487	3 597
Total des passifs	58 657	61 310	65 899	67 863	72 265

Obligation découlant des régimes de retraite

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

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

DETTE NETTE ET DÉFICIT ACCUMULÉ

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

Comme il a été mentionné précédemment, la Province a mis en œuvre deux nouvelles normes qui ont eu des incidences directes sur le calcul de la dette nette. La dette nette a augmenté à 30,3 milliards de dollars en 2022-2023 (2021-2022 – 29,2 milliards de dollars).

Les principales raisons de l'augmentation de la dette nette pour 2022-2023 sont :

- l'excédent d'exploitation de 270 millions de dollars en 2022-2023;
- l'acquisition d'immobilisations corporelles nettes de 443 millions de dollars;
- l'inclusion du recalcul net des pertes de 982 millions de dollars.

La dette nette de 30 263 millions de dollars au 31 mars 2023 se chiffrait à 281 millions de dollars de moins que le budget. La dette nette de 30 544 dollars prévue au budget ne comprenait pas de rajustement pour les obligations liées à la mise hors service d'immobilisations.

Le déficit accumulé total a augmenté de 671 millions de dollars, soit 4,8 %, par rapport à 2021-2022, en raison d'un excédent d'exploitation de 270 millions de dollars et des pertes de réévaluation accumulées de 1 204 millions de dollars.

Analyse de l'évolution de la dette nette et du déficit accumulé

	Chiffres redressés de 2018-2019	**Chiffres redressés de 2019-2020**	**Chiffres redressés de 2020-2021**	**Chiffres redressés de 2021-2022**	**Chiffres réels de 2022-2023**
			(en millions de dollars)		
Actifs financiers	32 862	35 139	37 533	38 665	42 002
Moins : Passifs	(58 657)	(61 310)	(65 899)	(67 863)	(72 265)
Total de la dette nette	(25 795)	(26 171)	(28 366)	(29 198)	(30 263)
Actifs non financiers	13 999	14 197	14 791	15 154	15 548
Total du déficit accumulé	(11 796)	(11 974)	(13 575)	(14 044)	(14 715)

ACTIFS NON FINANCIERS, Y COMPRIS LES IMMOBILISATIONS CORPORELLES

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

Analyse de l'évolution des actifs non financiers

	Chiffres redressés de 2018-2019	Chiffres redressés de 2019-2020	Chiffres redressés de 2020-2021	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
	(en millions de dollars)				
Immobilisations corporelles	13 856	14 041	14 520	14 725	15 168
Charges payées d'avance	72	77	81	87	98
Stocks détenus pour être utilisés	71	79	190	342	282
Total des actifs non financiers	13 999	14 197	14 791	15 154	15 548

Les actifs non financiers représentent généralement des ressources qu'un gouvernement peut utiliser dans l'avenir pour fournir des services au moyen d'immobilisations corporelles. La gestion des actifs non financiers a des répercussions directes sur le niveau et la qualité des services qu'un gouvernement est en mesure de fournir à sa population.

En date du 31 mars 2023, le solde des actifs non financiers dépassait de 394 millions de dollars, soit 2,6 %, le solde de 2021-2022. La majorité des actifs non financiers du gouvernement sont des immobilisations corporelles. La valeur comptable nette des immobilisations corporelles a augmenté de 443 millions de dollars par rapport au solde de 2021-2022. Les acquisitions d'immobilisations corporelles totalisaient 1 371 millions de dollars en 2022-2023 (2021-2022 – 1 071 millions de dollars). Ces ajouts comprennent des investissements dans des installations de santé et d'éducation et d'autres infrastructures terrestres, comme des routes, des ponts, des ouvrages de régularisation des eaux et des parcs. Les immobilisations corporelles de 2022-2023 comprenaient un redressement de 438 millions de dollars aux fins des actifs des obligations liées à la mise hors service d'immobilisations

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

Analyse de l'évolution des immobilisations corporelles

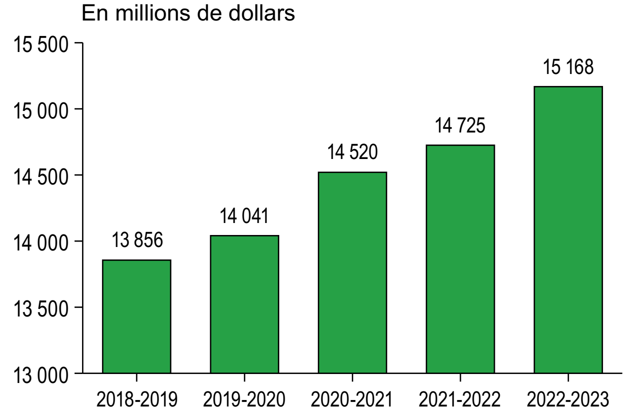
	Chiffres redressés de 2018-2019	Chiffres redressés de 2019-2020	Chiffres redressés de 2020-2021	Chiffres redressés de 2021-2022	Chiffres réels de 2022-2023
	(en millions de dollars)				
Terrains	307	330	305	319	326
Immeubles et améliorations locatives	5 982	6 317	6 674	6 751	6 622
Véhicules et équipement	754	748	739	711	713
Matériel informatique et logiciels	368	359	318	322	443
Actifs en construction	961	709	766	727	925
Infrastructure	5 484	5 578	5 718	5 895	6 139
Total des immobilisations corporelles	13 856	14 041	14 520	14 725	15 168

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

Le coût total des immobilisations corporelles a augmenté de façon constante, passant de 23,3 milliards de dollars en 2018-2019 à 28,2 milliards de dollars en 2022-2023 (y compris une reconnaissance ponctuelle des obligations liées à la mise hors service d'immobilisations), ce qui montre que la Province dispose de plus d'actifs pour la prestation de services au cours des périodes à venir.

De même, la valeur comptable nette des immobilisations corporelles, qui correspond à la valeur restante des actifs figurant dans le bilan, est passée de 13,9 milliards de dollars en 2018-2019 à 15,2 milliards de dollars en 2022-2023 (2021-2022 – 14,7 milliards de dollars). Le tableau à droite illustre la valeur comptable nette totale de toutes les immobilisations corporelles de 2018-2019 à 2022-2023.

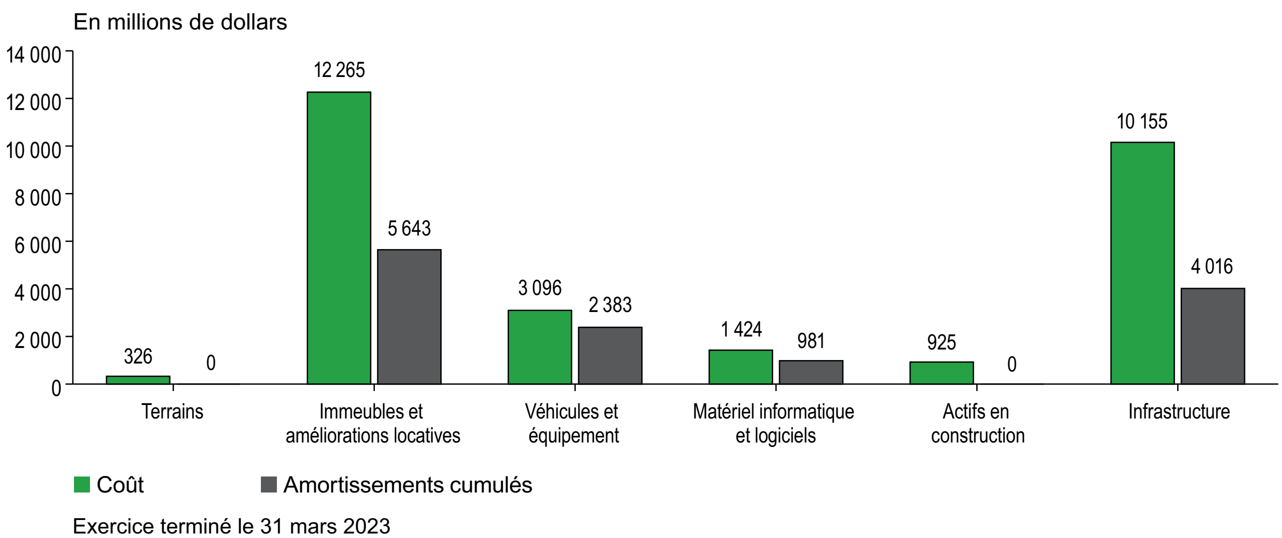
Valeur comptable nette des immobilisations corporelles



La catégorie Infrastructure comprend les routes, les ouvrages de régularisation des eaux et les parcs.

Le tableau ci-dessous illustre les immobilisations corporelles par catégorie et les amortissements cumulés connexes au 31 mars 2023.

Immobilisations corporelles



Summary Financial Statements

FOR THE YEAR ENDED MARCH 31, 2023

23

SUMMARY FINANCIAL STATEMENTS

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STATEMENT OF RESPONSIBILITY

Manitoba

Treasury Board Secretariat
Office of the Provincial Comptroller
www.manitoba.ca

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, remeasurement gains and losses, 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, 2023, and the results of its operations, its remeasurement gains and losses, 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

Andrea Saj, CPA, GGA
Provincial Comptroller

September 28, 2023

Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

Qualified 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, 2023, and the consolidated statements of revenue and expense, accumulated operating deficit, changes in net debt, remeasurement gains and losses, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (the Summary Financial Statements).

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our auditor's report, the accompanying consolidated Summary Financial Statements present fairly, in all material respects, the consolidated financial position of the Province as at March 31, 2023, and the results of its operations, its accumulated deficit, its changes in net debt, its remeasurement gains and losses, and its 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 auditor's report. We are independent of the Province in accordance with the ethical requirements in Canada that are relevant to our audit of the Summary Financial Statements, 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.

Insufficient support for asset retirement obligations

Under PSAS, as of the year ended March 31, 2023, the Province was required to adopt a new accounting standard, PS 3280 – Asset Retirement Obligations. The Province has recognized a liability for asset retirement obligations in the statement of financial position as at March 31, 2023 and the related expenses in the statement of revenue and expense for the year then ended, and has restated the comparative figures using the modified retroactive approach.

Asset retirement obligations are legal obligations associated with the retirement of tangible capital assets. During the initial year of adoption, the Province was made to identify all legal obligations associated with retirement of its assets to ensure completeness of the asset retirement obligations recorded, and estimate the future costs of remediation for these obligations to determine their valuation. The Province has not provided sufficient appropriate audit evidence regarding the completeness and the valuation of the amounts recorded and the disclosures required in respect of this liability.

Consequently, we were unable to determine whether the amounts in question should have been adjusted with respect to the accumulated deficit as at March 31, 2022; tangible capital assets and the asset retirement obligations as at March 31, 2022 and March 31, 2023 and the related expenses for the years then ended; and the related disclosures in notes 2, 13 and Schedule 7 of the Summary Financial Statements. The relevant figures are included in table below.

Scope limitation – impacted accounts and balances

	2023 ($ million)	2022 ($ million)
Opening asset retirement obligation:	788	760
Accretion expense	35	29
Liabilities settled during the period	(2)	(1)
Change in assumptions	(64)	nil
Ending asset retirement obligation	**757**	**788**
Tangible capital assets:		
Amounts related to asset retirement obligation	**247**	**248**
Adjustments to operating accumulated deficit:	540	494

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Summary Financial Statements of the current period. These matters were addressed in the context of the audit of the Summary Financial Statements as a whole, and in forming our auditor's opinion thereon. We do not provide a separate opinion on these matters.

In addition to the matters described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Key audit matters

Corporate and personal income tax revenues	How the matter was addressed during the audit:
Overview Corporate and personal income tax are major sources of revenues for the Province, estimated at $4.6 billion and $1.2 billion respectively (2022: $4.4 billion and $810 million). In 2023, the Province implemented a new model to estimate income tax revenues. The new model considers economic forecasts and modelling for provincial tax revenue generated between January and March 2023, and generates an estimate based on revenue earned from April to December of the previous year based on Canada Revenue Agency tax assessment information. *Related financial statement disclosures* Note 1D (ii) (2) - Significant Accounting Policies; Basis of Specific Accounting Policies - Revenue – Taxes, Schedule 1 - Consolidated Statement of Amounts Receivable *Why this is a key audit matter.* Corporate and personal income tax revenues are estimates involving significant management judgement and estimation uncertainty. Income Tax revenue in a fiscal year is derived from management's estimates of tax for two separate calendar years. For the year ended March 31, 2023, the Province records 9 months of revenue for the 2022 calendar year and 3 months of revenue for the 2023 calendar year. The Canada Revenue Agency will not finalize its assessments for either of these years until after the financial statements for the year ended 2023 up to 21 months after March 31, 2023. Uncertainty exists due to differences that may arise in final tax assessments and initial economic estimates.	• We obtained an understanding of the systems and controls over the process of recording and estimating both tax revenues. • We engaged an independent economist to assist us in our review of the Province's newly implemented economic forecast model for its reasonability and completeness, including management's use of key assumptions. • We reviewed the Province's retrospective review comparing previous actual results to managements estimates using the current model. • We tested the accuracy of management's calculations supporting the estimate. • We reviewed the Province's accounting adjustments made to the economic forecasts.

Key audit matters

Financial Instruments	**How the matter was addressed during the audit:**
Overview In the 2023 fiscal year, the Province adopted the accounting standards for Financial Instruments and Foreign Currency Translation, PS 3450 and PS 2601. The changes in statements and disclosures upon adoption are as follows: • Derivatives are recorded at fair value in the statement of financial position, which were previously only recorded upon settlement. At March 31, 2023, the Province recorded a $2 billion derivative asset, and a $2.9 billion liability • Investments in equity previously recorded at cost in the statement of financial position with fair value disclosure in a note are recorded at fair value in the statement of financial position. The total investments in equity as at March 31, 2023 were $132 million. • Unrealized gains and losses on portfolio investments and unrealized foreign exchange gains and losses are recorded in the new statement of remeasurement gains and losses. The accumulated remeasurement losses at March 31, 2023 were $1.2 billion. • Significant new disclosures related to quantitative and qualitative information about risks associated with financial instruments *Related disclosures are* Note 1 - Significant Accounting Policies Note 2 –Adoption of New Accounting Standards and Correction of an Error; Note 3 – Financial Instrument Classification; Note 4 - Portfolio Investments; Note 12 - Risk Management and the Use of Derivative Financial Instruments; Schedule 4 - Consolidated Statement of Public Debt *Why this is a key audit matter.* The adoption of the new accounting standard financial instruments and foreign currency has a significant impact on the consolidated financial statements. The measurement uncertainty involved in the determination of the fair value of derivatives is complex and requires management's judgement.	• We obtained an understanding of systems and internal controls over the process of recording and the valuation of derivatives. • We engaged an independent quantitative finance and risk management consultant to assist us in assessing the appropriateness of the Province's model in estimating the fair value of derivatives and to provide an independent valuation. • We examined the Province's underlying data for its estimate of fair value of derivatives both at the date of adoption and year-end. We tested the completeness of derivatives recorded in the Province's financial statements • We reviewed the Province's identification of other contract types to ensure any material embedded derivatives were identified were accurate and recorded. • We tested management's calculations of gains and losses recorded on the statement of remeasurement gains and losses for accuracy and completeness. • We reviewed all financial instruments-related disclosures for accuracy and completeness.

Other information

The Province is responsible for the other information. The other information comprises the Province of Manitoba Annual Report and Public Accounts (the Annual Report), but does not include the Summary Financial Statements and our auditor's report thereon.

Our qualified 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 on the other information that we obtained prior to the date of this auditor's report, 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, we were unable to obtain sufficient appropriate evidence about the completeness and valuation of the asset retirement obligations. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

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 consolidated financial statements, management is responsible for assessing the Province's ability to continue as a going concern, meaning that the Province will continue in operation, and will be able to realize assets and discharge liabilities and meet its statutory obligations in the normal course of operations for the foreseeable future.

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

Auditor's responsibilities for the audit of the Summary Financial Statements

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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Province to express an opinion on the Summary Financial Statements. 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Summary Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Original signed by

Winnipeg, Manitoba
September 28, 2023

Tyson Shtykalo, CPA, CA
Auditor General

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2023

SCHEDULE		($ millions) 2023 Actual	2022 Restated
	FINANCIAL ASSETS		
	Cash and cash equivalents	2,746	3,407
1	Amounts receivable	2,541	2,333
	Inventories for resale	15	17
	Due from Manitoba Hydro Electric Board (Note 14)	24,421	24,587
	Derivative financial instruments (Note 3)	2,055	-
	Portfolio investments (Note 4)	4,114	3,031
2	Loans and advances	1,549	1,438
3	Equity in government business enterprises (Note 5)	4,541	3,832
	Equity in government business partnerships (Note 6)	20	20
	Total Financial Assets	42,002	38,665
	LIABILITIES		
4	Taxpayer-supported debt	33,098	32,398
4	Borrowings on behalf of Manitoba Hydro Electric Board (Note 14)	24,421	24,587
5	Accounts payable, accrued charges, provisions and unearned revenue	7,518	6,603
	Derivative financial instruments (Note 3)	2,874	-
	Asset retirement obligations (Note 13)	757	788
6	Pension liability (Note 7)	3,597	3,487
	Total Liabilities	72,265	67,863
	NET DEBT	(30,263)	(29,198)
	NON-FINANCIAL ASSETS		
	Inventories held for use	282	342
	Prepaid expenses	98	87
7	Tangible capital assets	15,168	14,725
	Total Non-Financial Assets	15,548	15,154
	ACCUMULATED DEFICIT	(14,715)	(14,044)
	Accumulated deficit is comprised of:		
	Accumulated deficit - operating	(13,511)	(14,044)
	Accumulated remeasurement losses	(1,204)	
		(14,715)	(14,044)

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, 2023

	($ millions)		
	2023 Budget Restated[1]	2023 Actual	2022 Restated
REVENUE			
Income taxes:			
Corporation income tax	644	1,238	810
Individual income tax	4,314	4,556	4,435
Other taxes:			
Corporations taxes	366	416	333
Fuel taxes	359	323	323
Land transfer tax	149	136	146
Levy for health and education	422	415	385
Retail sales tax	2,410	2,597	2,387
Tobacco tax	192	146	170
Other taxes	13	19	13
Education property taxes	745	733	728
Fees and other revenue:			
Fines and costs and other legal	49	47	46
Minerals and petroleum	17	25	22
Automobile and motor carrier licences and fees	166	178	186
Parks: Forestry and other conservation	29	35	30
Water power rentals	120	71	89
Service fees and other miscellaneous charges	1,700	1,695	1,688
Tuition fees	447	446	418
Federal transfers:			
Equalization	2,933	2,933	2,719
Canada Health Transfers	1,633	1,646	1,562
Canada Social Transfers	576	581	561
Canada COVID-19 Transfers	-	182	430
Shared cost and other transfers	1,108	1,128	991
Net income from government business enterprises (Schedule 3)	834	1,408	321
Recovery from government business enterprises and other investment earnings	1,171	1,190	1,151
Contingency	(200)	-	-
Total Revenue (Schedule 9)	20,197	22,144	19,944

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE (cont'd)

For the Year Ended March 31, 2023

	($ millions)		
	2023 Budget Restated	2023 Actual	2022 Restated
Total Revenue carried forward	20,197	22,144	19,944
EXPENSES			
Legislative Assembly	53	58	48
Executive Council	8	7	6
Advanced Education and Training	1,662	1,567	1,518
Agriculture	496	408	644
Consumer Protection and Government Services	406	532	512
Economic Development, Investment and Trade	183	236	292
Education and Early Childhood Learning	3,488	3,639	3,308
Environment and Climate	151	132	127
Families	2,108	2,198	2,355
Finance	70	334	173
Health	7,247	7,572	7,279
Indigenous Reconciliation and Northern Relations	32	39	43
Justice	773	758	760
Labour and Immigration	28	27	23
Mental Health and Community Wellness	399	398	376
Municipal Relations	421	633	420
Natural Resources and Northern Development	152	149	134
Public Service Commission	40	40	37
Seniors and Long-Term Care	54	28	-
Sport, Culture and Heritage	127	151	92
Transportation and Infrastructure	596	591	505
Enabling Appropriations	125	27	31
Emergency Expenditures	100	266	135
Tax Credits	157	121	72
Debt Servicing (Note 10)	1,869	1,963	1,804
Total Expenses (Schedule 9)	20,745	21,874	20,694
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	(548)	270	(750)

Note 1: The restated amounts are taken from Budget 2022 as presented to the Legislative Assembly on April 12, 2022 and restated for comparability to the current year results. Please refer to Schedule 10 and Note 21 for further details.

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

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCUMULATED OPERATING DEFICIT

For the Year Ended March 31, 2023

	($ millions) 2023 Actual	2022 Restated
Opening operating accumulated deficit, as previously reported	(13,549)	(13,125)
Correction of an error (Note 2)	45	45
Asset retirement obligation restatement (Note 2)	(540)	(495)
Opening operating accumulated deficit, as restated	(14,044)	(13,575)
Operating surplus (deficit) for the year	270	(750)
Transfer of other comprehensive income	263	
Other comprehensive income (loss) (Schedule 3)	-	279
Ending operating accumulated deficit	(13,511)	(14,044)

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

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REMEASUREMENT GAINS AND LOSSES
For the Year Ended March 31, 2023

	($ millions) 2023 Actual
Accumulated remeasurement gains/(losses), beginning of year	-
Adjustment on adoption of the financial instruments related standards:	
Accumulated unrealized remeasurement gains/(losses)	(746)
Accumulated unrealized foreign exchange gains/(losses)	311
	(435)
Net remeasurement gains/(losses) attributable to:	
Derivatives	(7)
Foreign exchange	(540)
Equity at fair value	-
Net remeasurement gains/(losses) for the year	(547)
Accumulated other comprehensive income/(loss), beginning of the year	(264)
Other comprehensive income (Schedule 3)	42
Accumulated other comprehensive income/(loss)	(222)
Accumulated remeasurement gains/(losses), end of year	(1,204)

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, 2023

	($ millions)		
	2023 Budget Restated	2023 Actual	2022 Restated
Operating surplus (deficit) for the year	(548)	270	(750)
Tangible capital assets (Schedule 7)			
Acquisition of tangible capital assets	(1,573)	(1,370)	(1,071)
Amortization of tangible capital assets	849	842	819
Disposal of tangible capital assets	-	85	47
Net acquisition of tangible capital assets	(724)	(443)	(205)
Other Non-Financial Assets			
Decrease (Increase) in inventories	-	60	(151)
Decrease (Increase) in prepaid expenses	-	(11)	(5)
Net acquisition of other non-financial assets	-	49	(156)
Other comprehensive income (loss) (Schedule 3)	-	-	279
(Increase) in net debt excluding net remeasurement gains/(losses)	(1,272)	(124)	(832)
Net remeasurement gains/(losses) and other comprehensive income	-	(941)	-
(Increase) in net debt	(1,272)	(1,065)	(832)
Net Debt, beginning of year, as previously reported	(29,272)	(28,455)	(27,651)
Correction of an error (note 2)		45	45
Asset retirement obligation restatement (Note 2)	-	(788)	(760)
Net Debt, beginning of year, as restated	(29,272)	(29,198)	(28,366)
Net Debt, end of year	(30,544)	(30,263)	(29,198)

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, 2023

	($ millions)	
	2023	2022
	Actual	Restated
Cash and cash equivalents provided by (used in)		
Operating Activities		
Operating surplus (deficit) for the year	270	(750)
Changes in non-cash items:		
Amortization of tangible capital assets	842	819
Amortization of debt premium	(30)	(68)
Loss on disposal of tangible capital assets	85	47
Unamortized losses on derivative contracts	(110)	(15)
Valuation allowance	69	7
Amounts receivable	(274)	(396)
Inventories	62	(144)
Prepaids	(11)	(5)
Changes in equity in government business enterprises and government business partnerships	(709)	(3)
Accounts payable, accrued charges, provisions and unearned revenue	915	60
Asset retirement obligations	(31)	29
Pension liability	110	166
Other comprehensive income (loss) (Schedule 3)	-	279
Other	107	(1)
Cash provided by operating activities	1,295	25
Capital Activities		
Acquisition of tangible capital assets	(1,370)	(1,071)
Cash used in capital activities	(1,370)	(1,071)
Investing Activities		
Investments purchased	(3,691)	(2,226)
Investments sold or matured	2,105	1,855
Cash used in investing activities	(1,586)	(371)
Financing Activities		
Debt issued	4,191	4,775
Debt redeemed	(3,191)	(2,969)
Cash provided by financing activities	1,000	1,806
Increase in cash and cash equivalents	(661)	389
Cash and cash equivalents, beginning of year	3,407	3,018
Cash and cash equivalents, end of year	2,746	3,407
Supplementary information:		
Interest received	1,149	1,146
Interest paid	2,045	1,895

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

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the Year Ended March 31, 2023

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), partnerships, and business partnerships (BPs) 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 BPs, 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 International Financial Reporting Standards (IFRS), 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 BP 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. BPs are accounted for in the summary financial statements using the modified equity method. The Province accrues its share of the BP's net income or losses, and other net equity changes, without adjusting the BP'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 BPs are presented in Note 6 to the summary financial statements.

D. BASIS OF SPECIFIC ACCOUNTING POLICIES

(i) *Gross Accounting Concept*

Assets and liabilities are presented at their gross amount and are not netted against each other. 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.

(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. 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.

(2) *Taxes*

Tax revenues are recognized in the period in which they occur and when they are authorized by legislation, or the ability to assess and collect the tax has been provided through legislative convention. Reported tax revenues include estimated revenues for the current period, adjustments between the estimated revenues of previous tax years and actual amounts, and revenues from reassessments relating to prior tax years. Reported amounts do not include estimates of some unreported taxes or the impact of future reassessments.

Revenues from individual and corporation income tax are accrued in the year earned based upon estimates made by Manitoba Finance using statistical models. Personal Income Tax (PIT) and Corporation Income Tax (CIT) revenue for the period is accrued based on an estimate of current year tax assessments, plus late-arriving assessments and reassessments for the 2022 tax year, prorated from the Federal Department of Finance's Tax Sharing Statements and an estimate for the 2023 tax year based on Manitoba Finance's economic forecasts.

These revenues are recorded at estimated amounts after considering adjustments for tax concessions and other adjustments from the income tax system. 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.

(4) *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.

Endowments consist of externally restricted donations received by universities and colleges. The principal is required to be maintained in perpetuity. Investment income earned by the endowments are spent for the purposes specified in the endowment agreement. The principal balance is not an asset of the Government and therefore presented as a trust under the administration of the government.

Premiums paid by the producers and the Province to the AgriInsurance program at Manitoba Agricultural Services Corporation (MASC) are considered externally restricted inflows and are recorded as a liability and not brought into revenue until required. Externally restricted premiums can only be used for:

a) Indemnities payable under the contracts of the funds;
b) Premiums and other amounts payable for reinsurance;
c) Interest on funds borrowed for the fund;
d) Annual revenue from the production insurance program to the Production Insurance Trust Fund; and
e) Additional amounts from the surplus of the Fund to the Production Insurance Trust Fund as MASC may contribute under the Production Insurance Trust agreement.

(iii) *Expenses*

(1) *Accrual accounting*

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

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

(2) *Government transfers*

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

(iv) *Financial Instruments*

The Government classifies its financial instruments as either fair value, cost or amortized cost. The Government's accounting policy for each category is as follows:

Fair value

This category includes derivatives and equity instruments quoted in an active market. The Government has not designated any of its portfolio investments or borrowings at fair value that would otherwise be classified in the amortized cost category.

Financial instruments in the fair value category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value on unrestricted investments are recognized in the Consolidated Statement of Remeasurement Gains and Losses until they are realized. When realized they are transferred to the Consolidated Statement of Revenue and Expense. Changes in fair value on restricted investments are recognized as unearned revenue until the restriction on its use is realized; at that time the balance is transferred to the Consolidated Statement of Revenue and Expense.

Where a decline in fair value of the financial asset is determined to be other than temporary, the amount of the loss is recognized in the Consolidated Statement of Revenue and Expenses.

Premiums and discounts on derivatives are amortized to public debt expense on the same basis as the underlying debt instrument. The unamortized portion is included in the derivative assets or liabilities to offset the accumulated remeasurement gains or losses.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Cost or amortized cost
This category includes cash and cash equivalents, accounts receivable, portfolio investments, accounts payable and accrued liabilities, and public debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets, except for donated financial assets , which are initially recognized at fair value.

Transaction costs related to financial instruments in the amortized cost category, including syndicate fees related to the issuance of debentures, are added to the carrying value of the instrument.

Write downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets whose decline is other than temporary are written down to net recoverable value with the loss being recognized in the Consolidated Statement of Revenue and Expense.

(v) *Foreign Currency Translation*
The Government's foreign currency risk is reflected in its financial statements. Monetary assets and liabilities, denominated in a foreign currency, are translated at the year end rate of exchange. Revenue and expense arising from a foreign currency transaction are translated into Canadian dollars at exchange rates approximating those in effect at the transaction date.

At each financial statement date, monetary assets, and monetary liabilities, must be adjusted to reflect the exchange rate in effect at that date. Unrealized foreign exchange gains or losses that arise prior to settlement are recognized in the Consolidated Statement of Remeasurement Gains and Losses.

In the period of settlement, the cumulative amount of remeasurement gains and losses is reversed in the Consolidated Statement of Remeasurement Gains and Losses and is recognized in the Consolidated Statement of Revenue and Expense.

(vi) *Financial Assets*

(1) *Accounts receivable*
Accounts receivable 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 and subsequently carried at amortized cost using the effective interest rate method. A valuation allowance is recorded to reduce the value of the assets to their estimated realizable value. Loans with significant concessionary terms would be considered a grant and expensed in the statement of operations. 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. The Government stops accruing interest on loans and advances when the amount is considered uncollectable.

(3) *Portfolio Investments*

Portfolio investments are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method.

Portfolio investments denominated in a foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at March 31. Changes in the value of portfolio investments due to foreign currency changes are recorded in the Statement of Remeasurement Gains and Losses until the investments are sold.

Investment income on portfolio investments, denominated in a foreign currency, including interest income and realized gains or losses on the sale of unrestricted investments, are translated to Canadian dollar equivalents at the exchange rate in effect at the date of the transaction.

Investment income earned on externally restricted investments is recorded as unearned revenue and recognized as revenue when the related expenditure is made, or stipulations are met.

(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 cost of land and all costs directly related to the land improvement. Land improvements 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.

(vii) *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.

(i) *Public Debt*

Public debt represents the direct debt obligations of the Province of Manitoba. Public Debt includes borrowings for government operating purposes, the acquisition of tangible capital assets, and lending to public sector entities within the GRE. Public debt is shown at amortized cost, net of the Government debt held as provincial investments. Discounts or premiums, and commissions incurred at the time of the issue of debt are amortized monthly to debt servicing expense using the effective interest rate method. Foreign borrowings are translated at the exchange rate in effect at March 31.

The unrealized foreign exchange gains and losses are recorded to the Consolidated Statement of Remeasurement Gains and Losses.

Public debt is reported under two categories:

(i) Taxpayer-supported debt includes direct debt used for government operating and capital purposes including the debt of an entity that is fully consolidated in these financial statements.

(ii) Borrowings on behalf of Manitoba Hydro-Electric Board (Manitoba Hydro) debt includes the debt borrowed by the Government on the behalf of Manitoba Hydro. Manitoba Hydro fully funds their operations and debt through the sale of goods and services at commercial rates to buyers that are outside the GRE.

(ii) *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 7. 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.

(iii) *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, non-vesting sick pay, and 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.

(iv) *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 provision 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.

(v) *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. Third party recoveries related to a contaminated site are recorded as an asset provided they can be appropriately measured and estimated; and it is expected that future economic benefits can be obtained. Recoveries are not netted against the liability. Contingent recoveries are only disclosed. 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 has undertaken assessments of its contaminated sites in the fiscal year ending March 31, 2023 and these have resulted in additional environmental remediation liabilities related to newly identified sites, or changes in the assessments, including orphaned and abandoned mine sites. Any changes to the Province's liabilities for contaminated sites have been accrued in the year in which they are assessed.

(vi) *Asset Retirement Obligations*

An asset retirement obligation (ARO) is a legal obligation related to the retirement of a tangible capital asset. The retirement of a tangible capital asset is the permanent removal of an asset from service. This encompasses the sale, abandonment or disposal in some other matter but not its temporary idling.

Upon recognition of a liability for an ARO the Province recognizes an asset retirement cost by increasing the carrying amount of the related tangible capital asset. The Province allocates the asset retirement cost to expense in a rational or systematic manner over the remaining useful life of the tangible capital asset.

An ARO may exist in connection of a fully amortized tangible capital asset. The cost of an ARO is amortized over the revised estimated remaining useful life of the asset. An ARO related to a tangible capital asset no longer in productive use is expensed given there is no period of future benefit to the tangible capital asset. An ARO related to an asset that is not recognized is also expensed as there is no cost basis for the underlying asset to which retirement cost can be attached.

Asset retirement obligations are initially measured as of the date the legal obligation was incurred. Management's best estimate is based on the amount required to retire tangible capital assets and subsequently remeasured taking into account any new information and the appropriateness of assumptions used. A present value technique is used to determine the amount of the obligation at the financial reporting date. The liability is adjusted for the passage of time using the discount rate and is recognized as accretion expense in the Consolidated Statement of Revenue and Expense.

(viii) *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. Inventories for distribution at no charge are recorded at the lower of cost or current replacement cost. Inventories include significant amounts of personal protective equipment and vaccine supplies.

The Province received supplies at no cost from the Government of Canada in response to COVID-19 pandemic. These are recorded at fair value when such value can reasonably be determined. No amounts have been recorded for the COVID-19 vaccines because the fair value of these vaccines received from the Government of Canada cannot be reasonably determined. Information related to the price per dose of vaccine could not be shared by the Government of Canada with the Province.

(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 licenses	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.

(ix) *Future Changes in Accounting Standards*

A number of new and amended Canadian public sector accounting standards have been issued and not applied in preparing these financial statements. These standards will come into effect as follows:

- *PS 3400 Revenue (effective April 1, 2023), a new standard establishing guidance on the recognition, measurement, presentation and disclosure of revenue.*
- *PS 3160 Public Private Partnerships (effective April 1, 2023), a new standard establishing guidance on the recognition, measurement and disclosure of public private partnerships arrangements.*

These new accounting standards have not been applied in preparing these consolidated financial statements.

The Province is currently assessing the impact of the new standards, and the extent of the impact of their adoption on the consolidated financial statements has not yet been determined.

(x) *Classification by Sector*

The Province reports operational results under the following segments. Refer to Schedule 9:

- Health
- Education and Economic Development
- Families
- Community and Resource Development,
- Justice and Other Expenditures, and
- General Government.

The entities and departments included in each segment are identified in Schedule 8 to the summary financial statements.

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

The education and economic development segment 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 segment 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 segment 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 segment 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 segment is comprised of those activities that cannot be allocated to the specific sectors noted above. It also includes federal revenues and expenses related to emergency services and disaster assistance. 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.

The valuation of derivatives at fair value affects the Consolidated Statement of Financial Position and Consolidated Statement or Remeasurement Gains and Losses.

It also includes accruals for asset retirement and pension obligations, accruals for the remediation of contaminated sites, allowances for doubtful loans, accrual for retroactive wages, accruals for liabilities valued through actuarial valuations, such as long-term disability, severance, sick pay obligations, workers compensation claims, loans and advances and provision for losses on guarantees.

The nature of the uncertainty related to the accrual of health and social transfer payments from the Government of Canada and individual and corporate income taxes arises because of the possible differences between the estimates for the economic factors used in calculating the accruals and actual economic results.

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. In addition, the lag time in receiving economic information and subsequent revisions to the tax data does also lead to notable changes in reporting. As a result, the amount of income tax attributable to the year can change as a result of reassessments in subsequent years. The estimates are based on the best information available at the time of preparation of the financial statements.

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 pensioners. Results for asset retirement obligations may differ due to undiscovered hazardous materials, cost estimations, discount rates and uncertainty as to the dates the remediation will be undertaken.

Uncertainty related to the accrual for retroactive wages arises because actual wage settlements may differ significantly from the final collective agreements. The estimate for the accrual of retroactive wages is based on the Government's best estimate of the public services salary increases that may be negotiated or determined through arbitration.

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. ADOPTION OF NEW OF ACCOUNTING STANDARDS AND CORRECTION OF AN ERROR

Effective April 1, 2022, the Government adopted PS 3280 Asset Retirement Obligations (ARO). The Government applied the modified retroactive application approach in the adoption of this accounting standard.

Under the modified retroactive application, ARO are measured using information, assumptions, and discount rates that are current at April 1, 2022 when the standard was first applied. The Province recognized any existing ARO at April 1, 2022 adjusted for any accumulated accretion that had accumulated since the legal obligation was recognized.

An adjustment to the opening deficit at April 1, 2022 is the net between the liability and the net book value of the related assets. Liabilities for unrecorded tangible capital assets, or assets no longer in productive use, were adjusted to the accumulated deficit at April 1, 2022.

Effective April, 2021, the Government changed its accounting policy on the presentation of Manitoba Hydro debt. Prior to April 1, 2021, the Government issued debt on behalf of Manitoba Hydro and deducted the debt from the total Public Debt. The Manitoba Hydro debt was netted against the loan receivable from Manitoba Hydro. Effective April 1, 2021, the Manitoba Hydro debt and the Loan Receivable from Manitoba Hydro are now both included on the Consolidated Statement of Financial Position as Borrowings on behalf of and Due from Manitoba Hydro Electric Board.

The change in accounting policy had no effect on the net debt, accumulated deficit, and operating deficit for the years ended March 31, 2022 and 2023. The change in presentation did increase financial assets and Public Debt by $24,421 million at March 31, 2023 (2022 – $24,587 million). The change in the presentation of the Manitoba Hydro debt also increased Sinking Funds and Other Earnings, and Debt Servicing by $842 million for the year ended March 31, 2023 (2022 - $837 million).

Effective April 1, 2022, the Government adopted PS 3450 Financial Instruments. Recognition, derecognition and measurement policies followed in financial statements for periods prior to the effective date of this new standard are not reversed and, therefore, the prior periods are not restated. On April 1, 2022, the Government recognized all financial assets and financial liabilities in accordance with the standard on its Consolidated Statement of Financial Position and its Consolidated Statement of Remeasurement Gains and Losses:

- Accumulated unrealized remeasurement losses on derivatives of $775 million.
- Accumulated unrealized remeasurement gains on portfolio equity investments of $29 million.
- Unamortized foreign exchange gains of $311 million as unrealized foreign exchange gains on borrowings.
- Any unamortized discount, premium, or transaction costs associated with a financial asset or financial liability measured at amortized cost is included in the item’s opening carrying value.
- The Government converted from amortizing discounts, premiums, and transaction costs using the effective interest method rather than on a straight line basis over the remaining term to maturity of the financial instrument.

The Government omitted to record a receivable of $45 million from the municipal corporations for the Education Support Levy (ESL) at March 31, 2021. The error has increased accounts receivable at March 31, 2023 by $45 million and decreased the accumulated deficit at April 1, 2021 by $45 million. It has also decrease the net debt at March 31, 2022 by $45 million.

The adoption of PS 3280 Asset Retirement Obligations, the change in accounting policy for Manitoba Hydro debt, and the correction of the $45 million error resulted in changes to the Government’s financial position as at April 1, 2021 and the Statements of Financial Position, Revenue and Expense, Change in Net Debt, and Cash Flows previously reported for the year ending March 31, 2022. The impacts of these changes are as follows:

	Previously Reported April 1, 2021	Adjustments	Restated April 1, 2021
Portfolio Investments	3,168	–	3,168
Account Receivable (correction of an error - ESL)	1,901	45	1,946
Other Financial Assets	8,483	23,936	32,419
Asset Retirement Obligations	–	(760)	(760)
Public Debt	(31,339)	(23,936)	(55,275)
Other Liabilities	(9,864)	–	(9,864)
Net Financial Liabilities	(27,651)	(715)	(28,366)
Non-Financial Assets	14,526	265	14,791
Accumulated Deficit	(13,125)	(450)	(13,575)

	Previously Reported March 31, 2022	Adjustments	Restated March 31, 2022
Revenue	19,107	837	19,944
Expense	(19,811)	(837)	(20,648)
Accretion	–	(28)	(28)
Amortization	–	(17)	(17)
Operating Surplus (Deficit) For the Year	(704)	(45)	(749)
Accumulated Deficit Beginning of Year	(13,125)	(450)	(13,575)
Other Comprehensive Income (Loss)	280	–	280
Accumulated Deficit Beginning of Year	(13,549)	(495)	(14,044)

	Previously Reported March 31, 2022	Adjustments	Restated March 31, 2022
Portfolio Investments	3,051	(20)	3,031
Account Receivable (correction of an error - ESL)	2,288	45	2,333
Other Financial Assets	8,714	24,587	33,301
Asset Retirement Obligations	–	(788)	(788)
Public Debt	(32,418)	(24,567)	(56,985)
Other Liabilities	(10,090)	–	(10,090)
Net Financial Liabilities	(28,455)	(743)	(29,198)
Non-Financial Assets	14,906	248	15,154
Accumulated Deficit	(13,549)	(495)	(14,044)

3. FINANCIAL INSTRUMENT CLASSIFICATION

The following table provides cost and fair value information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

	Fair Value	Amortized Cost	2023 Total
Amounts receivable	–	1,679	1,679
Due from Manitoba Hydro Electric Board	–	24,421	24,421
Portfolio investments	132	3,982	4,114
Loans and advances	–	1,549	1,549
Taxpayer-supported debt	–	(33,098)	(33,098)
Borrowings on Behalf of Manitoba Hydro Electric Board	–	(24,421)	(24,421)
Accounts payable, accrued charges, provisions and unearned revenue	–	(4,977)	(4,977)
Derivative financial assets	2,055	–	2,055
Derivative financial liabilities	(2,874)	–	(2,874)

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Derivatives and portfolio equity investments quoted in an active market are the only financial instruments that are measured at fair value. All derivatives are measured at Level 2. There were no transfers in or out of Level 2 for the year ended March 31, 2023.

	Level 1	Level 2	Level 3	2023 Total
Portfolio equity investments	132			132
Derivative financial assets		2,055		2,055
Derivative financial liabilities		(2,874)		(2,874)

4. PORTFOLIO INVESTMENTS

	($ millions) 2023 Actual	2022 Actual
Sinking funds – at cost	983	947
Other investments – at cost	2,999	2,084
	3,982	3,031
Other investments – equity - at fair value	132	–
	4,114	3,031

Portfolio investments are recorded using the amortized cost method. Under this method, any discount or premium arising on the purchase of a fixed term security is amortized using the effective interest method over the period to maturity.

Portfolio equity investments quoted in an active market are recorded at fair value.

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, 2023, the market value of portfolio investments was $4,069 million (2022 – $3,110 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)			
	2023 Actual		2022 Actual	
	Book Value	Fair Value	Book Value	Fair Value
Government of Canada, direct and guaranteed	89	79	70	62
Provincial, direct and guaranteed	796	690	771	697
Municipal	94	91	102	100
Corporate	4	4	4	4
	983	864	947	863

Investment revenue earned on sinking funds during the year was $31 million (2022 – $24 million). The sinking funds are allocated as follows:

	($ millions)	
	2023 Actual	2022 Actual
Sinking funds	994	1,011
Less: Uninvested portion of sinking funds held in cash and cash equivalents	(11)	(64)
Total sinking funds held in portfolio investments	983	947

OTHER INVESTMENTS

	($ millions)	
	2023 Actual	2022 Actual
Guaranteed investment certificates	398	560
Bonds – Government of Canada, provincial and municipal	1,675	958
Bonds – Corporate	714	233
Equity investments at cost	160	298
Investments in real estate	52	35
Other investments – at cost	2,999	2,084
Equity investments – at fair value	132	–
Total other investments	3,131	2,084

As at March 31, 2023 the market value of other investments was $3,205 million (2022 – $2,221 million). Other investments earned $78 million during the year (2022 – $54 million).

5. 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; category includes Manitoba Hydro-Electric Board.
Insurance	An enterprise which provides insurance coverage services to the public for a fee; category includes Manitoba Public Insurance Corporation and Deposit Guarantee Corporation of Manitoba.

Category	Definition
Finance	Enterprises that provide regulatory control, and are revenue generating or enterprises which use economy of scale to deliver goods and services to the public; 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, 2023
Manitoba Liquor and Lotteries Corporation	March 31, 2023
Deposit Guarantee Corporation of Manitoba	December 31, 2022
Manitoba Public Insurance Corporation (MPIC)	March 31, 2023

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)	
	2023 Actual	**2022 Actual**
Restricted Equity in Government Business Enterprises:		
Deposit Guarantee Corporation of Manitoba	443	434
Manitoba Hydro-Electric Board	3,345	2,629
Manitoba Public Insurance Corporation	735	751
	4,523	3,814
Unrestricted Equity in Government Business Enterprises:		
Manitoba Liquor and Lotteries Corporation	5	5
Manitoba Public Insurance Corporation	13	13
	18	18
Equity in Government Business Enterprises	4,541	3,832

6. EQUITY IN BUSINESS PARTNERSHIP

North Portage Development Corporation (NPDC) is a business 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, 2023 is $20 million (2022 – $20 million). The Province's share of the operating results for the year ended March 31, 2023 was $ nil (2022 – $ nil) and is included in fees and other revenues.

The condensed supplementary financial information of NPDC is as follows:

	($ millions)	
	2023 Actual	2022 Actual
Property, plant and equipment and investment in properties and infrastructure enhancements	74	74
Short-term investments and other assets	6	5
	80	79
Deferred contributions from shareholders	8	6
Long-term mortgage	7	7
Current and other liabilities	6	8
	21	21
Net equity	59	58
	80	79
Comprehensive income		
Revenues	16	12
Expenses	12	9
Operating income before amortization	4	3
Amortization	(3)	(3)
Net income for the year	1	–

7. 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 which are set aside by the Government in an irrevocable trust. As of March 31, 2023, the pension liability for the Civil Service Superannuation Plan was $1,158 million (2022 – $1,108 million) and the pension liability for the Teachers' Pension Plan was $2,239 million (2022 – $2,139 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 $224 million (2022 – $214 million). At December 31, 2022, the Plan had an excess of net assets available for benefits over pension obligations of $879 million (December 31, 2021 – $2,051 million).

As at March 31, 2023, the total pension liability being reflected in the summary financial statements was $3,597 million (2022 – $3,487 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 Public 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% of pensionable earnings above the maximum.

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

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

As a joint 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, 2022 audited financial statements of CSSF. At December 31, 2022, 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 $2,527 million (December 31, 2021 – $1,251 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 2.0% 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. 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 83.1% of teachers' contributions are used to fund basic benefits and 16.9% 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 (PAA) over a five-year period commencing with the Cost of Living Adjustment (COLA) granted effective July 1, 2018. The balance of the restricted surplus will be disbursed in equal amounts over the following two years, ending with the COLA effective July 1, 2022. The COLA is limited to the lesser of the maximum percentage the PAA can support, and the full increase in CPI. The COLA can never be negative.

The independent plan actuary determined that there was an actuarial surplus in the PAA of $70.8 million available to support COLA of 2.10% effective July 1, 2022. The surplus of $70.8 million includes restricted surplus of $5,597,400, or 20% of the total restricted surplus and additional surplus of $9,005,000 carried forward from the prior year. Since the relevant increase in CPI for 2021 was 4.80%, the COLA was not impacted by the 100% of CPI cap.

As 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, 2022 audited financial statements of Teachers' Retirement Allowances Fund (Fund). At December 31, 2022, after accounting for provincial pension assets held in trust, the Fund had an estimated accrued net obligation of $1,516 million (December 31, 2021 - $842 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 3.0% of the average annual indemnities for the last five years served as a member or all the years served; if less than five, multiplied by the number of years of pensionable service up to April 1995. These entitlements are fully indexed to cost of living increases.

For those MLA's elected after the 35th Legislature in April 1995, the LAA provides for matching contributions. Under the matching contributions provisions, MLAs may contribute up to 7.0% of their remuneration toward a Registered Retirement Savings Plan (RRSP) of their choice. The Government matches the member's contributions on a current basis; consequently, there is no liability for past service benefits under this component of the plan. In the event that a member withdraws money from the RRSP, while an active MLA, 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 9.0% 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 plans 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 three 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 6.0% on pensionable earnings over the maximum. As of March 31, 2020 the plan does not have any active members.

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% of salary less an adjustment for the Canada Pension Plan during the year.

The employer contribution made by the University for fiscal 2023 included $5.5 million (2022 - $4.7 million) in additional contributions as advised by the Manitoba Pension Commission with respect to current service costs in excess of matching contribution of active members and the University, and an annual additional special payments for 15 years until the going concern deficit is eliminated.

Retirement benefits are calculated by using the greater of the two methods: Formula and Plan Annuity. For each year of pensionable service, the Formula benefit equals 2% of the average best five year salary, less 0.7% of the average best five year salary under the yearly maximum pensionable earnings in the year of retirement, to a maximum of 1/9 of the Pension Plans money purchase limit. The benefit is reduced by 0.25% for each month between the actual pension commencement date and the age of 65. The Plan Annuity benefit is based on contribution account balance, age at retirement, and the annuity factor determined by the plan actuary.

The unamortized net actuarial gains (losses) were determined on the basis of the 2019 actuarial valuation and the 2020 extrapolation for accounting purposes are being amortized over a period of nine years (equal to 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 equals 2% 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 $1,700 per year of pensionable service. At December 2021, the Plan had a going-concern deficiency of $10 million, which the University is addressing by making annual deficiency payments of $1 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% 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% 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 per year of pensionable service for members retired on or before April 1, 2009, and $1,975 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 was completed in December 2022.

(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% 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 12 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% 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% 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*
The 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 agreements 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 that 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% 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 $48.30 per month per year of service. For clerical workers, the pension benefit is $42 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.

8. CONTINGENCIES

A. CONTINGENT LIABILITIES

i) *Legal Actions*

The Government is named in various legal actions. No provision has been made at March 31, 2023 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, 2022 audited consolidated financial statements of CBS 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 $300 million, with the secondary policy held by CBSE providing coverage up 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, 2022 total $533 million (2021 - $524 million). Based upon the above, the Government's share of the provision for future claims as at March 31, 2022 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 $32 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, 2023, Manitoba Entitlement First Nations have collectively selected and acquired approximately 1,053,181 acres of Crown Land and Other Land. As of March 31, 2023, Manitoba has transferred administration and control of 691,783 acres of Crown Land and 19,010 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 $160 million (2022 - $161 million). Manitoba Hydro has also recognized a provision of $27 million (2022 - $33 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.

Manitoba Liquor and Lotteries Corporations had purchase commitments of $12 million (2022 - $27 million) related to property and equipment, and intangible assets.

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:

	($ millions)		
	Authorized Limit	**2023 Actual**	**2022 Actual**
Canadian Museum for Human Rights	15	1	2
Manitoba Agricultural Services Corporation (Note 8B.i)	–	56	61
Manitoba Housing and Renewal Corporation (Note 8B.ii)	20	1	3
Manitoba Student Aid Program	20	–	–
University of Winnipeg (Note 8B.iii)	54	26	44
Other	15	2	3
Total guarantees outstanding	124	86	113

A provision for future losses on guarantees for $7 million (2022 - $5 million) has been recorded in the accounts.

Note 8B.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, up to a maximum loan of $0.7 million for individuals and $1.0 million for partnerships, corporations, and co-operatives.

Program	General Terms and Conditions
Manitoba Livestock Associations Loan Guarantees	Each association's lending institution is guaranteed 25% of their loaned amount, up to a maximum loan of $12 million per association.
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 a small rural non-agricultural business to a maximum guarantee of $0.2 million. This program was discontinued as of April 1, 2019 with outstanding guarantees in run-off status.

Note 8B.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, 2023 outstanding guarantees under this authority totaled $1 million (2022 - $3 million).

Note 8B.iii) University of Winnipeg

University of Winnipeg's controlled entity University of Winnipeg Community Renewal Corporation (UWCRC) guarantees specific debts of UWCRC 2.0, a related but uncontrolled corporation. UWCRC provided guarantees for the following loan:

	($ millions)
CMHC Rental Construction Financing Initiative loan for construction of the Muse Flats (209 Colony St.)	26

C. GOVERNMENT BUSINESS ENTERPRISE GUARANTEES

As at March 31, 2023, Manitoba Hydro has outstanding Manitoba Hydro-Electric Board Bonds amounting to $119 million (2022 - $118 million). These bonds carry fixed coupon rates that range from 3.72% to 7.10%. The Government guarantees $60 million (2022 - $60 million) of these outstanding bonds.

Manitoba Hydro provides guarantees to counterparties for natural gas purchases. At March 31, 2023, there is an outstanding guarantee totaling $40 million (2022 - $40 million) which matures October 31, 2023. Letters of credit for $77 million (2022 - $74 million) have been issued for construction and energy related transactions with maturities until 2049.

The Deposit Guarantee Corporation of Manitoba (Corporation) has guaranteed $37.3 billion in credit union deposits at the end of December 31, 2022 (December 31, 2021 - $36.1 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.

9. 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)	2024	2025	2026	2027	2028	2029 and thereafter	Total
Government Organizations and components							
Service contracts	660	416	225	192	182	590	**2,265**
Rental of capital assets	68	62	47	41	34	106	**358**
Acquisition or construction of capital assets	704	124	16	6	7	–	**857**
Other contracts	12	6	1	1	1	3	**24**
Government Business Enterprises	126	98	93	84	73	21	**495**
Total	**1,570**	**706**	**382**	**324**	**297**	**720**	**3,999**

Other significant obligations not included in the table are:

GOVERNMENT ORGANIZATIONS

Government organizations have entered into contractual arrangements related to construction projects totaling $292 million (2022 - $181 million), and details relating to the settlement year cannot be reasonably estimated.

GOVERNMENT BUSINESS ENTERPRISE CONTRACTUAL OBLIGATIONS

Manitoba Hydro has energy purchase commitments of $1,721 million (2022 - $1,821 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 2041, wind and solar purchases that expire in 2040 and natural gas purchases that expire in 2039. In addition, other outstanding commitments principally for construction are approximately $1,905 million (2022 - $1,690 million).

Manitoba Liquor and Lotteries Corporation has purchase commitments of $12 million (2022 - $27 million) related to property and equipment and intangible assets.

10. DEBT SERVICING

Public debt servicing costs of $1,963 million (2022 - $1,804 million) includes interest expense on Manitoba Hydro Electric Board debt of $842 million (2022 - $837 million). Public debt servicing cost also includes interest on provincial debt held as investments of $4 million (2022 - $4 million). GBEs public debt servicing costs of $1,042 million (2022 - $1,080 million) are reported in Schedule 3.

11. 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, 2023, amounts held in trust were as follows:

	Valuation Method	($ millions) 2023 Actual	2022 Actual
Various Universities and Colleges	cost	662	600
Public Guardian and Trustee of MB	various	327	318
Public Service Group Insurance Fund	market	281	297
Manitoba Development Corporation	cost	11	23
Other Fiduciary Trust	various	78	70
Custodial trust held by Departments	various	22	23
Suitor's Money Act	cost	10	10
Total		**1,391**	**1,341**

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.

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.

12. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

During the normal course of business the Government is exposed to a number of financial risks including credit, liquidity, and market risk. Market risk results from fluctuations in foreign currency, and interest rates.

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 the underlying instruments. The Government uses derivatives to hedge and mitigate foreign exchange and interest rate risk. The Government does not use derivatives for speculative purposes.

Since derivatives are utilized for risk management purposes, it is not the practice of the Province to terminate derivative contracts before maturity and realize gains or losses on early terminations. On occasion, Loans and Advances clients prepay loans that have swapped contracts attached to them. The client is required to pay a penalty that offsets the Province's cost to unwind the associated swap.

A) CREDIT RISK

Credit risk is the likelihood of one party to a financial instrument failing to discharge an obligation and causing financial loss to the counter party. The financial instruments that potentially subject the Government to credit risk mainly consist of accounts receivable, loans receivable, due from Manitoba Hydro Electric Board, portfolio investments, derivatives assets, and loan guarantees. The Province had $86 million (2022 - $113 million) in loan guarantees outstanding.

The Province's maximum exposure to credit risk is as follows:

	2023	2022
Accounts receivable	$ **2,541**	$ 2,333
Due from Manitoba Hydro Electric Board	**24,421**	24,587
Derivative financial assets	**2,055**	–
Portfolio investments	**4,114**	3,031
Loans and advances	**1,549**	1,438
	$ **34,680**	$ 31,389

Credit risk is concentrated in agricultural loans and Manitoba student loans. The Board of Directors, Manitoba Agricultural Services (MASC), is responsible for approving and monitoring tolerance of credit exposures, which it does through review and approval of the guidelines for lending and loan guarantee programs and by setting general limits on credit exposures to individual clients. MASC has comprehensive policy and procedures manuals in place for all lending programs. In general, MASC emphasizes responsible lending, which is comprised of a combination of adequate loan security and a client's ability to pay. In total, MASC has $806 million (2022 – $787 million) in agriculture loans.

The Government manages credit risk on investments through its Investment Policies. The primary objective is the preservation of principal. Funds are managed in a manner that ensures sufficient liquidity to meet all cash payments when due. Within the bounds of these two objectives, the funds are invested in order to achieve appropriate returns within the approved risk limits. Each fund is structured to diversify investments and reduce the risk of loss due to over-concentration of assets in a particular category or with a single issuer. Each issuer of the securities authorized for purchase must meet the minimum criteria, which is approved by the Risk Committee, for short-term issuers and long-term issuers.

Counterparty default risk:

Notional amounts of derivative contracts represent the contractual amounts to which a rate or price is 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. Notional values are $19 billion for derivative financial assets and $26 billion for derivative financial liabilities.

The March 31, 2022 interest rate and currency swaps were not recognized as assets or liabilities and therefore did not appear in the Consolidated Statement of Financial Position at March 31, 2022. 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 derivatives 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.

	2023		2022	
	Assets	**Liabilities**	**Assets**	**Liabilities**
	In millions			
Interest rate impacts	$1,659	($2,836)	–	–
Foreign currency impacts	396	(38)	–	–
Net fair value of derivative contracts	$2,055	($2,874)	–	–

The Province only enters into International Swaps and Derivative Association Master Agreements (ISDA's) with counterparties that meet strict investment grade credit rating requirements. The counterparties all have signed ISDA's with the Province and continue to meet strict investment grade credit rating requirements. Risk of adverse financial impacts from derivative counterparty exposures is mitigated through the use derivative counterparty exposure limits, which are regularly measured, and monitored.

Credit Support Annexes (CSA's) are negotiated with derivative counterparties. These CSA's mitigate risk by requiring collateralization of counterparty exposure under specified credit events.

B) LIQUIDITY RISK

Liquidity risk is the risk that funds are not available when required to discharge the liabilities of the Government and its agencies as they become due. The Province takes active approaches to address liquidity risk through its borrowing strategy, cash flow forecasting and modelling, cash reserves and credit facilities. Schedule 4 provides a summary of the contractual maturities for borrowings.

The Government's exposure to liquidity risk is related to accounts payable and accrued liabilities such as salaries and benefits. The Government manages its cash flow through investment purchases and sales, and by purchasing its own debt for sinking funds investments.

The following table presents maturity schedules of the Province's derivatives based on the notional amounts of the contracts:

Year of Maturity	Notional Value	Interest Rate Derivatives	Foreign Exchange Derivatives
		($ millions)	
2024	3,357	727	2,630
2025	3,664	2,667	997
2026	2,500	1,106	1,394
2027	1,088	790	298
2028	2,077	894	1,183
2029 - 2033	6,763	5,718	1,045
2034 - 2038	6,713	6,085	628
2039 - 2043	10,381	7,577	2,804
2044 - 2048	4,785	4,434	351
2049 - 2053	2,958	2,401	557
2054 +	698	698	–
	44,984	33,097	11,887

C) MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Government is exposed to three types of market risk: foreign exchange risk, interest rate risk, and refinancing risk. The Government continually monitors its exposure to these risks and uses derivative contracts to manage these risks.

(i) *FOREIGN EXCHANGE RISK*

Foreign exchange risk is the risk of loss or higher costs when liabilities or assets are held in a foreign currency. The Province's most significant exposure to foreign currency risk exposure is the issuance of debt in a foreign currency. Foreign currency risk also arises from securities held in pooled investment funds and are denominated in currencies other than Canadian dollars.

The carrying value of foreign currency debt in the Consolidated Statement of Financial Position is impacted by fluctuations in foreign exchange rates, and correspondingly the carrying value of foreign currency derivatives. Throughout the life of a debt instrument denominated in a foreign currency and associated derivative, the remeasurements are not perfectly offsetting and create volatility in the Consolidated Statement of Financial Position and in the Consolidated Statement of Remeasurement Gains and Losses. This volatility is never realized in the Consolidated Statement of Operations as hedging derivatives are not terminated prior to maturity. Change in the foreign debt due to foreign currency fluctuation is equal to the change in carrying value of the associated derivative immediately prior to maturity.

The Province does not assume unhedged foreign currency risks on its debt issuance; however, the Province does hold U.S. Dollar debt on behalf of Manitoba Hydro. Manitoba Hydro accepts the risk and cost of servicing any foreign currency issued on their behalf.

Manitoba Hydro has $2,110 million (2022 - 687 million) of U.S. debt not hedged by derivatives. 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 outflow for long-term debt coupon and principal payments. As a means to bridging 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.

(ii) *INTEREST RATE RISK*

Interest rate risk is the risk of loss or higher costs associated with adverse fluctuations in interest rates. Derivatives are used to provide financial stability by reducing the impact of interest rate volatility caused by the variable and fixed rate mix of its portfolio.

A rise in interest rates generally means a drop in the fair value of interest-bearing securities held as portfolio investments or increased debt servicing cost when issuing variable rate debt.

After taking into account derivatives used to manage interest rate risk, investments, and eliminating the debt incurred on behalf of Manitoba Hydro, the structure of the debt as at March 31, 2023 was 89% at fixed rates and 11% at floating rates (2022 - 89% at fixed rates and 11% at floating rates). A 1.0% (100 basis points) movement in interest rates on the 11% floating rate debt for an entire year would increase/decrease debt servicing costs, net of recoveries, by $37 million (2022 - $35 million).

(iii) *REFINANCING RISK*

The orderly retirement of future debt obligations, without incurring undue refinancing risk, is important in terms of managing both future interest costs and accessing required funding in future years. To this end, the Province will use its best efforts to smooth out debt maturities from less than one year to greater than 30 years. The Province also identifies bond buy-back opportunities, whereby excess cash can be used to buy back outstanding debt, thus reducing refinancing risk and future liquidity risk

13. ASSET RETIREMENT OBLIGATIONS

The asset retirement obligations represent management's best estimate of the present value of the costs that are expected to be incurred for the remediation of hazardous materials present in some of the Province's buildings. The presence of asbestos is not a current health hazard, and there is no requirement to remove asbestos in these buildings as long as the asbestos is contained and does not pose a public health risk. There is, however, a legal obligation to incur remediation costs.

	($ millions)	
	2023 Actual	**2022 Actual**
Asset Retirement Obligations, Beginning of Year	788	760
Change in Assumptions	(64)	–
Liabilities Settled During the Period	(2)	(1)
Accretion Expense	35	29
Asset Retirement Obligations, End of Year	757	788

The discount rate used to determine the present value of the obligations ranged from 3.2% to 6.5%. The discount rate is based on the Government's cost of borrowing.

At March 31, 2023, the undiscounted asset retirement obligations were $1,653 million (2022 - $1,620 million). These obligations are expected to be settled between 2028 to 2062.

The asset retirement obligations relate to buildings, equipment, and landfills. The government estimated the nature and extent of hazardous materials in its buildings based on the potential square metres, and the average cost per square metre, to remove and dispose of the hazardous materials. The estimates are mainly based on assessments provided by third-party and internal experts. During the year several government organizations changed the discount rate and the impact is reflected in the change in assumptions.

Manitoba Hydro Electric Board recognizes an asset retirement obligation for the removal and disposal of Polychlorinated Biphenyls (PCB) contaminated fluid in equipment. The estimated undiscounted cash flows required to settle the asset retirement obligation are approximately $18 million (2022 – $18 million), which is expected to be incurred by 2025.

No funds are being set aside by Manitoba Hydro Electric Board to settle the asset retirement obligations. The discount rates used by Manitoba Hydro Electric Board to determine the fair market value of asset retirement obligations was 3.30% to 3.66% (2022 – 2.29% to 2.38%).

14. 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. BORROWINGS ON BEHALF OF AND AMOUNTS DUE FROM MANITOBA HYDRO ELECTRIC BOARD

The Province issues debt and subsequently loans the funds to Manitoba Hydro. The Province records the transfer of funds, in Canadian currency, as a Loan Receivable from Manitoba Hydro. The Province pays the interest on the debt which is charged to the loan receivable. Payments by Manitoba Hydro on the debt are credited to the loan receivable.

The Province enters into derivative contracts to mitigate the risk against interest rate and foreign currency fluctuations.

The balance of the loan receivable at March 31, 2023 was $24,421 million (2022 - $24,587 million). For the year ended March 31, 2023 the Province paid $842 million in interest on the Manitoba Hydro debt (2022 - $837 million) and received $842 million (2022 - $837 million) in interest payments from Manitoba Hydro for the year ended March 31, 2023.

C. INVESTMENTS

MPIC holds $468 million (2022 - $503 million) of Provincial bonds and debentures with maturities dates ranging from 2023 to 2050 and interest rates ranging from 2.1% to 6.4%.

D. WATER POWER RENTALS

Water power rental fees charged to Manitoba Hydro, for $71 million (2022 - $89 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.

E. FEES ON GOVERNMENT GUARANTEES

Manitoba Hydro remitted $118 million (2022 - $229 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 Recovery from government business enterprises and other investment earnings.

F. DRIVER LICENSING OPERATIONS

The Government, by agreement, paid $40 million (2022 - $30 million) to MPIC for the management and administration of driver licensing. MPIC, on behalf of the Government, collected driver licensing fees totaling $28 million (2022 - $27 million) and motor vehicle registration fees totaling $173 million (2022 - $179 million).

The fees received by the Government are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category.

G. OTHER REVENUE

Manitoba Liquor and Lotteries Corporation provided $5 million in funding to Shared Health for the year ended March 31, 2023 (2022 - $5 million (Provided to Addictions Foundation of Manitoba)) for addictions and problem gambling services programs. In addition, the Corporation provided $4 million (2022 - $4 million) in funding to the Liquor, Gaming and Cannabis Authority of Manitoba and the Ministry of Crown Services through the payment of annual license fees and levies.

Manitoba Hydro paid the Government $124 million (2022 - $129 million) for corporation capital tax. MPIC paid the Government $44 million (2022 - $39 million) for insurance premium tax. GBEs paid the Government a combined total of $18 million (2022 - $17 million) for Levy for Health and Education.

MPIC paid Manitoba Health $28 million (2022 - $25 million) to cover non- insured medical expenses.

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

15. EMPLOYEE FUTURE BENEFITS

	($ millions)	
	2023 Actual	**2022 Actual**
Severance	493	476
Long-term disability income plan	49	47
Workers compensation claims	71	67
Other	65	82
	678	672

The severance liability is valued using discount rates that range from 2.60% to 6.00% and salary increase rates that range from 0.75% to 4.47%. Unamortized actuarial gains and losses are amortized over the estimated average remaining service life (EARSL). Periods range from 6 to 15 years. As of March 31, 2023, net unamortized gains were $13 million (2022 – unamortized losses $42 million restated).

The long-term disability income plan is valued using a discount rate of 3.50%. 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, 2022 valuation was prepared using a discount rate of 5.75% (5.25% in prior valuation) and a salary increase rate of 5.00% (3.00% in prior valuation). Actuarial gains and losses are recognized as income as they occur.

16. EXPENSES IN EXCESS OF LEGISLATIVE AUTHORITY

The budget estimates presented on the Consolidated Statement of Revenue and Expense, excludes $946 million in special warrants related to the departments. The original budget estimate amounts plus the $946 million in special warrants and $350 million in The Appropriation Act, 2022 (School Tax Rebate) 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, 2023:

PART A – OPERATING EXPENSE:

	($ millions)
Environment and Climate	7
Emergency Expenditures	166
Health	4

17. LIABILITY FOR CONTAMINATED SITES

The Province reports environmental liabilities related to the management and remediation of contaminated sites where the Province is obligated to incur such costs. A contaminated sites liability of $364 million (2022 - $365 million) has been recorded based on environmental assessments or estimations for those sites where an assessment has not been conducted.

As of March 31, 2023, the Province has identified 499 sites which 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, polyromantic 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 three sites requires the operation of water treatment systems until 2060. The amount of undiscounted expenditures for the future operation of the water treatment systems, which have been discounted at 4.25% over the next 37 years, is $166 million. The discount rate is based on the Province's cost of borrowing. The assumed rate of inflation is 2%.

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, 2023.

18. 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 over. Related party disclosures do not include inter-entity transactions and balances that are eliminated on consolidation and those with entities accounted for under the modified equity method. Related party disclosures 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 at if the parties were unrelated and the transaction has a material effect on the summary financial statements.

For the year ended March 31, 2023, there were no material related party transactions or balances to disclose.

19. 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, 2023, are as follows:

($ millions)	2024	2025	2026	2027	2028	2029 and thereafter	Total
Federal transfers - Capital	350	343	344	1	–	–	1,038
Federal transfers - Operating	131	114	36	33	12	44	370
Lease and rental agreements	92	89	89	88	87	152	597
Other	15	16	16	16	17	297	377
Total	588	562	485	138	116	493	2,382

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, so 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 six years. This contract has no expiration date and amounts beyond 2029 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 six years. These lease agreements have various expiration dates, however, the amounts beyond 2029 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 totaling approximately $8.5 billion expiring in 2052-53. Dependable sales are export contracts sourced from Manitoba Hydro's hydraulic energy available during lowest water conditions.

20. SUBSEQUENT EVENT

Subsequent to March 31, 2023, Manitoba Hydro Electric Board entered into an agreement in principle with an Indigenous Nation to address the adverse effects of existing developments and operations. The estimated present value impact of this agreement in principle is in the range of $40 million to $120 million and will be recorded as a provision in fiscal 2024.

21. RESTATED BUDGET

The restated budget presented on the Consolidated Statement of Revenue and Expense is taken from Budget 2022 as presented to the Legislative Assembly on April 12, 2022 and restated for comparability to the current year results.

Refer to Schedule 10 for further details. The restated amounts do not include other authorizations granted in the special warrants of $946 million.

22. COMPARATIVE FIGURES

On January 30, 2023, the Government announced organizational changes that resulted in certain functions being transferred between departments. As a result, certain 2022 financial statement balances have also been reclassified to be presented on the same basis as the 2023 results.

SCHEDULE 1

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF AMOUNTS RECEIVABLE

As at March 31, 2023

	($ millions)	
	2023	**2022**
	Actual	**Actual**
TAXATION:		
Income taxes	340	332
Retail sales tax	296	286
Other taxes	198	180
	834	798
GOVERNMENT OF CANADA AND OTHER GOVERNMENTS:		
Government of Canada shared cost programs/agreements	881	694
Other	453	418
	1,334	1,112
OTHER:		
Health and social services	212	173
Government business enterprises and other	28	36
Sundry departmental revenue	232	202
Other	392	437
	864	848
	3,032	2,758
Less: Allowances	491	425
Total Amounts Receivable	2,541	2,333

SCHEDULE 2

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF LOANS AND ADVANCES

As at March 31, 2023

	($ millions) 2023 Actual	2022 Actual
GOVERNMENT BUSINESS ENTERPRISES:		
Government business enterprises	355	324
	355	324
OTHER:		
Loans and mortgages - Note a	959	910
Stadium loan - Note b	137	137
Manitoba student loans - Note c	293	259
Family services agencies - Note d	25	26
Other	32	31
	1,446	1,363
TOTAL LOANS AND ADVANCES	1,801	1,687
Less: Valuation allowance	252	249
NET LOANS AND ADVANCES	1,549	1,438

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 1.25% to 10.50%; or

ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 5.2065% and the highest set at 5.9500% as at March 31, 2023.

Note a

		2023	2022
i)	Agricultural direct lending and special assistance program mortgages, due in varying annual amounts to the year 2048, bearing interest at rates ranging from 2.375% to 9.00%.	817	799
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 12.50%.	48	60
iii)	Business development assistance loans, due in varying annual amounts to the year 2040, bearing interest at rates ranging from 0% to 13.39%.	74	29
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%.	20	22
		959	910

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. Phase 2 is in abeyance indefinitely and no payments are required, however, interest continues to accrue.

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, 2023

($ millions)	UTILITY	INSURANCE	FINANCE	TOTAL 2023 Actual	TOTAL 2022 Actual
CHANGES IN EQUITY					
Results from Operations:					
Revenues from operations	3,892	1,579	1,718	7,189	6,036
Expenses: from operations	2,223	1,550	966	4,739	4,635
Debt servicing	1,031	-	11	1,042	1,080
Total expenses	3,254	1,550	977	5,781	5,715
Net income	638	29	741	1,408	321
Other comprehensive income (loss)	78	(36)	-	42	279
Total comprehensive income	716	(7)	741	1,450	600
Transfers to the Government	-	-	(741)	(741)	(597)
Net increase in equity in government business enterprises	716	(7)	-	709	3
FINANCIAL POSITION					
Assets:					
Cash and temporary investments	1,089	145	42	1,276	1,330
Amounts receivable	565	519	59	1,143	1,062
Portfolio investments: Due from Government and government organizations	-	482	-	482	535
Due from others	-	3,375	-	3,375	3,275
Capital assets	26,474	163	334	26,971	26,837
Other assets	3,282	211	139	3,632	3,490
Total assets	31,410	4,895	574	36,879	36,529
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue	2,693	933	184	3,810	3,898
Long-term debt: Owing to Government	24,421	4	320	24,745	24,912
Other borrowings, discounts and deferred transaction costs	138	7	65	210	236
Net pension obligations	469	395	-	864	1,024
Future cost of existing claims	-	2,365	-	2,365	2,302
Total liabilities	27,721	3,704	569	31,994	32,372
Equity:					
Non-controlling interests	344	-	-	344	325
Equity in government business enterprises	3,345	1,191	5	4,541	3,832
Total equity	3,689	1,191	5	4,885	4,157
Total liabilities and equity	31,410	4,895	574	36,879	36,529
EQUITY COMPRISED OF:					
Retained earnings	3,650	1,110	5	4,765	4,097
Accumulated other comprehensive income (loss)	(305)	81	-	(224)	(265)
Equity in government business enterprises	3,345	1,191	5	4,541	3,832

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

SCHEDULE 4

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PUBLIC DEBT

As at March 31, 2023

($ 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	Total 2023 Actual	Total 2022 Restated
2023	-	-	-	-	-	-	5,316
2024	2,988	274	-	-	2,650	5,912	3,248
2025	3,048	449	-	-	-	3,497	3,473
2026	3,465	514	-	-	-	3,979	3,965
2027	2,662	332	-	-	-	2,994	2,978
2028	1,799	-	-	-	-	1,799	1,799
2023-2028	13,962	1,569	-	-	2,650	18,181	20,779
2029-2033	12,199	541	-	-	-	12,740	10,448
2034-2043	8,991	-	477	-	-	9,468	8,534
2044-2073	16,814	-	-	-	-	16,814	16,026
2074-2123	600	-	-	-	-	600	600
2029-2123	38,604	541	477	-	-	39,622	35,608
2023-2057 Government Organizations	366	-	-	198	-	564	632
Total public debt	52,932	2,110	477	198	2,650	58,367	57,019
Reduced by:							
Unamortized Debt Discounts and Debt Issue Costs						(385)	(355)
Unamortized Debt Premiums						310	420
Province of Manitoba debt issues held as investments in sinking funds and in cash and cash equivalents						(1,002)	(99)
Unrealized Remeasurement Foreign Exchange Gains/Losses						229	-
Public Debt						**57,519**	**56,985**
Public debt is comprised of:							
Taxpayer-supported debt						33,098	32,398
Borrowings on behalf of Manitoba Hydro Electric Board						24,421	24,587
						57,519	56,985

	March 31/23 Cdn $ Valuation (See Notes)	March 31/22 Cdn $ Valuation (See Notes)
Public debt payable in:		
Canadian dollars	45,167	43,593
Foreign issues hedged to Canadian dollars	10,243	12,705
U.S. dollars	540	500
Issues hedged to U.S. dollars	1,569	187
Total public debt servicing	57,519	56,985

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

Note b: Interest rates on these public debt servicing fall into one of two categories:
i) Fixed with rates ranging from 2.05% to 10.68%.
ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 4.760% and the highest set at 6.840% as at March 31, 2023.

Note c:

Total public debt servicing includes foreign currency denominated debt that is fully hedged by converting the foreign currency payments into Canadian dollars. These currency hedges are used to mitigate the impact of future exchange rate fluctuations on the 'Province's public debt costs. These hedging instruments are reported as derivative financial instruments in Note 12 - Risk Management. The currency translation on the hedged debt resulted in an accumulated foreign exchange loss of $229 million as at March 31, 2023.

Total public debt also includes USD denominated debt that has not been hedged to Canadian Dollars The currency translation on the unhedged USD debt resulted in an unrealized foreign exchange loss of $115 million as at March 31, 2023.

The currency translation on the hedged and unhedged debt resulted in a cumulative unrealized loss of $344 as at March 31, 2023.

SCHEDULE 5

SUMMARY FINANCIAL STATEMENTS

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

As at March 31, 2023

	($ millions)	
	2023	**2022**
	Actual	**Restated**
ACCOUNTS PAYABLE	2,492	1,833
ACCRUED CHARGES:		
Interest	234	176
Disaster financial assistance	219	29
Liability for contaminated sites (Note 17)	364	365
Salaries and benefits	1,258	1,478
Employee future benefits (Note 15)	678	672
Other	866	841
	3,619	3,561
PROVISION FOR FUTURE LOSSES (Note 8)	7	5
UNEARNED REVENUE		
University of Manitoba and Other Universties (note a)	585	462
Manitoba Agricultural Services Corporation (note b)	476	411
Other	339	331
	1,400	1,204
Total Accounts Payable, Accrued Charges, Provisions and Unearned Revenue	7,518	6,603

Note

a) Represents various types of operating and capital revenue, including future session tuition fees, revenue associated with goods that have not yet been provided or services that have not yet been substantially rendered, unspent externally restricted grants, non-endowed donations, investment income, and deferred rental fees associated with the lease of the Southwood lands to UM Properties Inc.

b) Represents restricted assets and revenues for recognition of AgriInsurance premiums. The revenue for the AgriInsurance program will be recognized when the restricted assets are used for the specified purpose under the Canadian Agricultural Partnership agreement and the AgriInsurance Regulation.

SCHEDULE 6

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2023

($ 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 2023	Total 2022
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year	3,468	4,695	1,752	644	170	10,729	10,361
Current service costs	87	116	75	23	7	308	301
Interest cost on benefit obligation	196	266	94	37	7	600	580
Change in actuarial (gains) losses and reserves	(71)	-	(117)	11	(1)	(178)	97
Plan amendment	-	-	-	-	1	1	-
Benefits paid	(193)	(249)	(127)	(35)	(8)	(612)	(610)
Obligation at end of year	3,487	4,828	1,677	680	176	10,848	10,729
PLAN ASSETS							
Plan assets at beginning of year	2,519	2,910	1,835	668	66	7,998	7,495
Employer contributions	103	134	41	14	6	298	286
Employee contributions	-	-	33	12	1	46	44
Transfer of plan assets	-	-	1	-	-	1	(1)
Benefits paid	(193)	(249)	(127)	(35)	(8)	(612)	(609)
Expected return on plan assets	133	151	102	37	3	426	398
Experience gains (losses)	(236)	(50)	(228)	11	-	(503)	385
Market value of plan assets	2,326	2,896	1,657	707	68	7,654	7,998
Deferred investment losses (gains)	67	(134)	58	(17)	1	(25)	(562)
Market related value of plan assets	2,393	2,762	1,715	690	69	7,629	7,436
PENSION LIABILITY							
Plan deficit (surplus)	1,094	2,066	(38)	(10)	107	3,219	3,293
Unamortized actuarial gains (losses)	64	173	137	(15)	(14)	345	132
Surplus adjustments (Note B)	-	-	3	30	-	33	62
Pension liability	1,158	2,239	102	5	93	3,597	3,487
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	87	116	75	23	7	308	301
Interest cost on benefit obligation	196	266	94	37	7	600	580
Return on plan assets	(133)	(151)	(102)	(37)	(3)	(426)	(398)
Employee contributions	-	-	(34)	(12)	(1)	(47)	(45)
Amortization of actuarial (gains) losses	3	2	(9)	2	2	-	15
Plan amendment	-	-	-	-	1	1	-
Change in surplus adjustments	-	-	(44)	16	(1)	(29)	3
Defined benefit pension plan expense	153	233	(20)	29	12	407	456
Defined contribution pension plan expense	-	-	7	27	224	258	249

SCHEDULE 6 (cont'd)

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2023

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans	Public School Division Plans	Other Plans	Total 2023	Total 2022
MEMBER DATA							
Defined benefit pension plan							
Number of active and deferred members	19,900	23,500	5,400	5,200	200	54,200	53,700
Number of pensioners	18,000	16,600	2,600	2,400	300	39,900	39,100
Total number of plan members	37,900	40,100	8,000	7,600	500	94,100	92,800
ACTUARIAL ASSUMPTIONS							
Discount rate on accrued benefits	5.75%	5.75%	5.15% - 5.50%	4.25% - 5.50%	3.20% - 5.25%		
Expected long-term rate of return	5.75%	5.75%	5.15% - 6.40%	4.25% - 5.50%	3.20% - 5.25%		
Inflation	2.00%	2.00%	2.00% - 2.50%	2.00% - 2.00%	2.00% - 2.00%		
Real rate of return	3.75%	3.75%	3.00% - 3.50%	2.25% - 3.50%	1.20% - 3.25%		
Rate of salary increase	3.75%	2.00%	2.25% - 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-21	11.6
- Teachers' Retirement Allowance Plan	Jan-21	13.1
- University of Manitoba Pension Plans	Dec-19	9.0
- University of Winnipeg Pension Plan	Dec-21	5.3
- Brandon University Retirement Plan	Dec-21	9.9
- Winnipeg School Division Pension Fund for Employees Other than Teachers	Dec-21	11.8
- Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division	Dec-21	13.0
- Retirement Plan for Employees of Frontier School Division	Dec-21	12.9
-School District of Mystery Lake	Jun-21	14.2
- Members of Legislative Assembly Pension Plan	Mar-22	0.0
- Legislative Assembly Pension Plan	Dec-21	9.0
- Judges' Supplemental Pension Plan	Mar-22	7.3
- Winnipeg Child and Family Services Employee Benefits Retirement Plan	Dec-21	0.0

SCHEDULE 7

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

For the Year Ended March 31, 2023

31,

($ millions)

	General Capital Assets					Infrastructure				Totals	
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction Note b	Land and Land Improvements	Transportation	Dams and Water Management Structures	Assets Under Construction Note b	2023 Actual	2022 Restated
Cost											
Opening cost	321	11,652	2,975	1,231	727	734	7,863	768	250	26,521	25,625
Restatements - Note a	(2)	419	(2)	4	-	19	-	-	-	438	438
Adjusted Opening Balance	319	12,071	2,973	1,235	727	753	7,863	768	250	26,959	26,063
Add:											
Additions during the year	8	164	132	20	522	27	277	8	213	1,371	1,071
Less:											
Disposals and write downs	(1)	(87)	(33)	(8)	(6)	-	-	(1)	(3)	(139)	(175)
Settlements and reclassifications	-	117	24	177	(318)	2	21	11	(34)	-	-
Closing cost	326	12,265	3,096	1,424	925	782	8,161	786	426	28,191	26,959
Accumulated amortization											
Opening accumulated amortization	-	5,135	2,265	910	-	171	3,386	177	-	12,044	11,370
Restatements - Note a	-	186	(3)	3	-	5	-	-	-	191	173
Adjusted Opening Balance	-	5,321	2,262	913	-	176	3,386	177	-	12,235	11,543
Add:											
Amortization	-	336	153	76	-	10	254	13	-	842	819
Less:											
Accumulated amortization on disposals and write downs	-	(14)	(32)	(8)	-	-	-	-	-	(54)	(128)
Closing accumulated amortization	-	5,643	2,383	981	-	186	3,640	190	-	13,023	12,234
Net Book Value of Tangible Capital Assets	326	6,622	713	443	925	596	4,521	596	426	15,168	14,725

Note a - The amounts related to AROs is $247 million in NBV

Note b - During the year, the Province capitalized $10 million of interest relating to assets under construction (2022 - $4 million).

SCHEDULE 8
GOVERNMENT ORGANIZATIONS, COMPONENTS AND BUSINESS ENTERPRISES COMPRISING THE GOVERNMENT REPORTING ENTITY

HEALTH

Health

- CancerCare Manitoba
- Not-for-Profit Personal Care Homes and Community Health Agencies
  - 3885136 Manitoba Association Inc. (operating as Calvary Place Personal Care Home)
  - Actionmarguerite (Saint-Boniface) (Saint-Vital) and (St. Joseph)
  - Bethania Mennonite Personal Care Home, Inc.
  - Clinique Youville Clinic Inc.
  - Donwood Manor Personal Care Home Inc.
  - Eden Mental Health Centre
  - Fred Douglas Personal Care Home
  - Holy Family Home Inc.
  - Hope Centre Health Care Incorporated
  - Klinic Incorporated
  - LHC Personal Care Home Inc.
  - Luther Home Corporation
  - MFL Occupational Health and Safety Centre Inc.
  - Main Street Project, Inc.
  - Meadowood Manor
  - Menno Home for the Aged Inc. (Personal Care Home Division)
  - Mount Carmel Clinic
  - Nine Circles Community Health Centre Inc.
  - Niverville Heritage PCH Inc.
  - NorWest Co-op Community Health Centre, Inc.
  - Odd Fellows and Rebekahs (Personal Care Homes Inc. Golden Links Lodge)
  - Park Manor Care Inc.
  - Pembina Place Mennonite Personal Care Home Inc.
  - Prairie View Lodge Inc.
  - Rest Haven Nursing Home
  - Rock Lake Health District
  - Salem Home Inc.
  - Sexuality Education Resource Centre Manitoba, Inc.
  - Southeast Personal Care Home Inc.
  - Tabor Home Inc.
  - The Convalescent Home of Winnipeg
  - The Salvation Army Golden West Centennial Lodge
  - The Saul and Claribel Simkin Centre Personal Care Home Inc.
  - Villa Youville Inc. - Nursing
  - West Park Manor Personal Care Home Inc.
  - Women's Health Clinic Inc.
- 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.

Mental Health and Community Wellness

Seniors and Long-Term Care

EDUCATION AND ECONOMIC DEVELOPMENT

Advanced Education and Training

- Assiniboine Community College
- Brandon University
- Manitoba Institute of Trades and Technology
- Red River College Polytechnic
- Université de Saint-Boniface
- University College of The North
- University of Manitoba
- University of Winnipeg

Education and Early Childhood Learning

- Public School Divisions
  - Beautiful Plains School Division
  - Border Land School Division
  - Brandon School Division
  - Division scolaire franco-manitobaine
  - Evergreen School Division
  - Flin Flon School Division
  - Fort La Bosse School Division
  - Frontier School Division
  - Garden Valley School Division
  - Hanover School Division
  - Interlake School Division
  - Kelsey School Division
  - Lakeshore School Division
  - Lord Selkirk School Division
  - Louis Riel School Division
  - Mountain View School Division
  - Mystery Lake School District
  - Park West School Division
  - Pembina Trails School Division
  - Pine Creek School Division
  - Portage la Prairie School Division
  - Prairie Rose School Division
  - Prairie Spirit School Division
  - Red River Valley School Division
  - River East Transcona School Division
  - Rolling River School Division
  - Seine River School Division
  - Seven Oaks School Division
  - Southwest Horizon School Division
  - St James-Assiniboia School Division
  - Sunrise School Division
  - Swan Valley School Division
  - Turtle Mountain School Division
  - Turtle River School Division
  - Western School Division
  - Whiteshell School District
  - Winnipeg School Division

SCHEDULE 8 (cont'd)

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

EDUCATION AND ECONOMIC DEVELOPMENT (continued)

Economic Development, Investment and Trade
- Abandonment Reserve Fund
- Communities Economic Development Fund
- Economic Development Winnipeg Inc. - Note b
- Manitoba Development Corporation
- Manitoba Opportunities Fund Ltd.
- Manitoba Potash Corporation - Note g
- Mining Rehabilitation Reserve Fund
- Quarry Rehabilitation Reserve Fund
- Research Manitoba
- Rural Manitoba Economic Development Corporation

FAMILIES

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

COMMUNITY AND RESOURCE DEVELOPMENT

Agriculture
- Manitoba Agricultural Services Corporation

Environment and Climate
- Efficiency Manitoba Inc.
- Manitoba Hazardous Waste Management Corporation

Indigenous Reconciliation and Northern Relations

Transportation and Infrastructure

Municipal Relations
- Manitoba Water Services Board
- North Portage Development Corporation - Note a

General Government
- Public Debt

Natural Resources and Northern Development

JUSTICE AND OTHER EXPENDITURES

Public Service Commission
Employee Pensions and Other Costs
Executive Council
Legislative Assembly
Tax Credits

Consumer Protection and Government Services
- Manitoba Education, Research and Learning Information Networks (MERLIN)
- Materials Distribution Agency
- Vehicle and Equipment Management Agency
- Entrepreneurship Manitoba
- The Public Guardian and Trustee of Manitoba

Finance
- Insurance Council of Manitoba
- Manitoba Financial Services Agency
- Pension Asset Fund
- Special Operating Agencies Financing Authority - Note g

Justice
- Legal Aid Manitoba
- Liquor, Gaming and Cannabis Authority of Manitoba
- Manitoba Law Reform Commission

Labour and Immigration

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.
- Travel Manitoba

SPECIAL ACCOUNTS, not attached to a Sector or Department
- Rainy Day Fund - Note c

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3)

Utility:
- Manitoba Hydro-Electric Board - Note d

Insurance:
- Deposit Guarantee Corporation of Manitoba - Note d
- Manitoba Public Insurance Corporation - Note e

Finance:
- Manitoba Liquor and Lotteries Corporation - Note f

Notes:

a. North Portage Development Corporation is a government business partnership.
b. Economic Development Winnipeg is a government partnership.
c. Fiscal Stabilization Account
d. Reports to Minister of Finance.
e. Reports to Minister of Justice.
f. Reports to Minister of Municipal Relations.
g. This is the last year the entity is reporting as a separate entity in the GRE.

EXPENSE TYPES

PERSONNEL SERVICES

All salaries and wages paid to Ministers, contract employees and regular civil servants are included in this category. Also included are indemnities, living and constituency allowances paid to M.L.A.'s, overtime, remoteness allowances, shift premiums and other negotiated payments for all employees. The employer portion of mandatory contributions to EI, CPP, Worker's Compensation, etc. are considered as personnel costs and are reported under this category.

GRANTS/TRANSFER PAYMENTS

Payments to various individuals and organizations in support of various projects and programs including bursaries, cultural activities, charitable organizations, etc. Grants, other than for capital purposes, and transfer payments to other governments and government agencies are reported in this category.

TRANSPORTATION

Payments made for the transportation of government personnel, including Ministers and M.L.A.'s, other citizens and commodities are included in this category. Other costs of traveling such as accommodation and meals are recorded separately under the "Other Operating" category.

COMMUNICATION

The cost of telephones, postage, advertising and other costs related to the dissemination of information to the public or to the employees of the government are included in this category.

SUPPLIES AND SERVICES

The cost of goods and services that are used in the current operations of the government such as construction materials, office supplies, utilities, leased space, rental of equipment and vehicles and the payment to outside professional persons and firms are included in this category.

DEBT SERVICING

This includes the costs related to the public debt of the province such as debt redemptions, premiums, interest, and other charges by banks for exchange and other services, etc.

OTHER OPERATING

The payments for accommodation and meals for civil servants while on government business are shown under this classification. Also included are computer related expenses, insurance, employer educational assistance and other costs that cannot be included in another category.

SOCIAL ASSISTANCE AND RELATED COSTS

This classification represents expenditures for goods, services and/or benefits provided to citizens for their direct consumption as social assistance provisions.

MINOR CAPITAL

This category includes costs for the purchase, construction or improvement of capital assets that are under the established capitalization dollar threshold established for each asset class.

AMORTIZATION

Amortization is the process of allocating the cost of a tangible capital asset, less its residual value, over its estimated useful life in order to match costs with the revenue or public services that they help generate.

SCHEDULE 9

SUMMARY FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

For the Year Ended March 31, 2023

($ millions)

	Health		Education and Economic Development		Families		Community and Resource Development	
	2023 Actual $	2022 Restated $	2023 Actual $	2022 Restated $	2023 Actual $	2022 Restated $	2023 Actual $	2022 Restated $
REVENUE								
Income taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	759	759	-	-	-	-
Fees and other revenue	596	537	918	844	112	138	635	750
Federal transfers	1,736	1,696	495	379	54	52	153	335
Contributions from entities within the Government Reporting Entity	79	119	211	207	-	-	3	3
Recovery from government business enterprises and other investment earnings	12	5	56	47	3	-	17	2
TOTAL REVENUE	2,423	2,357	2,439	2,236	169	190	808	1,090
EXPENSE								
Personnel services	4,491	4,478	3,533	3,393	195	209	280	274
Grants/Transfer payments	1,569	1,404	564	616	365	370	795	441
Transportation	82	74	31	18	2	1	46	41
Communication	25	23	24	24	4	4	10	9
Supplies and services	1,109	1,111	607	509	151	149	204	185
Social assistance related	-	-	153	193	1,341	1,184	226	605
Other operating	525	380	268	108	149	455	139	86
Debt servicing	59	54	104	88	33	35	23	24
Minor capital	20	15	89	82	1	-	7	2
Amortization	227	219	197	193	66	63	280	269
TOTAL EXPENSE	8,107	7,758	5,570	5,224	2,307	2,470	2,010	1,936
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	(5,684)	(5,401)	(3,131)	(2,988)	(2,138)	(2,280)	(1,202)	(846)

SCHEDULE 9 (cont'd)

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

For the Year Ended March 31, 2023

($ millions)

	Justice and Other Expenditures		General Government (Note a)		Adjustments (Note b)		Total	
	2023 Actual $	2022 Restated $	2023 Actual $	2022 Restated $	2023 Actual $	2022 Actual $	2023 Actual $	2022 Restated $
REVENUE								
Income taxes	-	-	5,794	5,245	-	-	5,794	5,245
Other taxes	-	-	4,052	3,758	(26)	(32)	4,785	4,485
Fees and other revenue	350	316	(7)	3	(107)	(109)	2,497	2,479
Federal transfers	193	253	3,839	3,548	-	-	6,470	6,263
Contributions from entities within the Government Reporting Entity	-	-	1,409	320	(294)	(328)	1,408	321
Recovery from government business enterprises and other investment earnings	(7)	(10)	1,109	1,107	-	-	1,190	1,151
TOTAL REVENUE	536	559	16,196	13,981	(427)	(469)	22,144	19,944
EXPENSE								
Personnel services	699	672	6	3	11	12	9,215	9,041
Grants/Transfer payments	811	396	217	51	(365)	(510)	3,956	2,768
Transportation	21	21	-	-	-	(1)	182	154
Communication	39	39	-	-	-	-	102	99
Supplies and services	475	532	41	1	(87)	(81)	2,500	2,406
Social assistance related	2	-	-	2	-	(2)	1,722	1,982
Other operating	140	311	22	63	14	110	1,257	1,513
Debt servicing	5	5	1,739	1,598	-	-	1,963	1,804
Minor capital	18	9	-	-	-	-	135	108
Amortization	65	65	7	7	-	3	842	819
TOTAL EXPENSE	2,275	2,050	2,032	1,725	(427)	(469)	21,874	20,694
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	(1,739)	(1,491)	14,164	12,256	-	-	270	(750)

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, 2023

($ millions)

		Adjustments			
	Print	Note a	Note b	Note c	**Restated**
TOTAL REVENUE	19,353	-	-	844	20,197
EXPENSES					
Legislative Assembly	53	-	-		53
Executive Council	5	3	-		8
Advanced Education and Training	1,658	11	(7)		1,662
Agriculture	495	1	-		496
Consumer Protection and Government Services	420	7	(21)		406
Economic Development, Investment and Trade	170	-	13		183
Education and Early Childhood Learning	3,488	-	-		3,488
Environment and Climate	168	15	(32)		151
Families	2,081	27	-		2,108
Finance	69	1	-		70
Health	6,687	560	-		7,247
Indigenous Reconciliation and Northern Relations	31	1	-		32
Justice	730	43	-		773
Labour and Immigration	-	-	28		28
Mental Health and Community Wellness	399	-	-		399
Municipal Relations	392	29	-		421
Natural Resources and Northern Development	120	13	19		152
Public Service Commission	28	12	-		40
Seniors and Long-Term Care	54	-	-		54
Sport, Culture and Heritage	91	36	-		127
Transportation and Infrastructure	524	72	-		596
Tax Credits	147	10	-		157
Enabling Appropriations	966	(841)	-		125
Emergency Expenditures	100	-	-		100
Debt Servicing	1,025	-	-	844	1,869
Total Expenses	19,901	-	-	844	20,745
OPERATING SURPLUS (DEFICIT) FOR THE YEAR	(548)	-	-	-	(548)

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 total expenditures, total revenues or to net loss.

Note b: On January 30, 2023, the Province announced organizational changes that resulted in transfers of certain functions between departments. This restatement has no impact to net loss.

Note c: As a result of an accounting policy change, described in Note 2 of the finanical statements, the Government changed its accounting policy on the presentation of Manitoba Hydro debt. The interest recovery is now reported as income and expense.

Information Provided Under Statutory Requirement

FOR THE YEAR ENDED MARCH 31, 2023

23

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 accompanying Fiscal Stabilization Account "Rainy Day Fund" Statement of Transfers and Account Balance of the Province of Manitoba ("the Province") for the year ended March 31, 2023 ("the statement").

In our opinion, the financial information in the statement of the Province of Manitoba for the year ended March 31, 2023 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 in Canada that are relevant to our audit of the statement, 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.

Other matter – supplementary information

We draw attention to the fact that the supplementary information included in The Schedule of Supplementary Information does not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion or any other form of assurance on this supplementary information.

Other information

Management is responsible for the other information. The other information comprises the information included in the Province of Manitoba Annual Report and Public Accounts ("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 identified above 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.

We obtained the annual report prior to the date of this auditor's report. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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, and for such internal control as management determines is necessary to enable the preparation of the statement that are 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 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 this statement.

Auditor General
MANITOBA

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 signed by

Winnipeg, Manitoba
September 28, 2023

Tyson Shtykalo, CPA, CA
Auditor General

RAINY DAY FUND*
STATEMENT OF TRANSFERS AND ACCOUNT BALANCE
For the Year Ended March 31, 2023

	($ thousands)	
	2023	**2022**
Transfer to Core Government operations	-	-
Account Balance, beginning of year	585,000	585,000
Account Balance, end of year	585,000	585,000

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 is continued as the Fiscal Stabilization Account. The legislated purpose of the Account is to assist in stabilizing the fiscal position by supporting core government operations in a fiscal year or to repay debt. Under subsection 26.1(3), the Minister of Finance, with the approval of the Lieutenant Governor in Council, may deposit in the Account any part of the revenue or other financial assets received in the core government in any fiscal year. Under subsection 26.1(4), the Minister of Finance may, with the approval of the Lieutenant Governor in Council, transfer all or part of the Account balance to the core government.

2. Transactions in the Fiscal Stabilization Account are accounted for on an accrual basis and reflect the transfers made under Section 26.1(3) and 26.1(4) of The Financial Administration Act. Transfers are determined by the Minister of Finance and are authorized with an Order in Council. The report on these transactions is made in accordance with Section 65(1)(b) of The Financial Administration Act.

3. Subsection 26.1(2) of The Financial Administration Act stipulates that the Minister of Finance shall make every effort to ensure that the balance of the Account at the end of each fiscal year is at least 5% of the core government expenditures for that year.

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

RAINY DAY FUND*
SCHEDULE OF SUPPLEMENTARY INFORMATION
(Unaudited)
For the Year Ended March 31, 2023

	($ thousands)	
	2023	2022
Account Balance, beginning of year	585,000	585,000
- Transfer to Core Government	-	-
Account Balance, end of year	585,000	585,000

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

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

For the Year Ended March 31, 2023

As Required by Section 24B of The Financial Administration Act

	$
ADVANCE EDUCATION AND TRAINING (XLIV)	
Accounts Receivable	190,228
AGRICULTURE (III)	
Accounts Receivable	89,167
CONSUMER PROTECTION AND GOVERNMENT SERVICES (VIII)	
Accounts Receivable	3,441
ECONOMIC DEVELOPMENT, INVESTMENT AND TRADE (X)	
Accounts Receivable	154
EDUCATION AND EARLY CHILDHOOD LEARNING (XVI)	
Accounts Receivable	4,988
FINANCE (VII)	
Accounts Receivable	2,515,052
	2,803,030

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

As Required by Section 32(1) of The Financial Administration Act

Issued Relative to the Year Ended March 31, 2023

OPERATING EXPENSES			**$**
FINANCE (VII)			
Janunary 12, 2023	7.9.1	Affordability Support Programs and Response	200,000,000
HEALTH (XXI)			
Janunary 12, 2023	21.6	Funding to Health Authorities	71,200,000
Janunary 12, 2023	21.7	Provincial Health Services	2,000,000
Janunary 12, 2023	21.9	Pharmacare	67,300,000
MUNICIPAL RELATIONS (XIII)			
Janunary 12, 2023	13.4	Financial Assistance	160,700,000
ENABLING APPROPRIATIONS (XXVI)			
August 24, 2022	26.2	Internal Service Adjustments	96,000,000
Janunary 12, 2023	26.2	Internal Service Adjustments	348,800,000
		Total Special Warrants	946,000,000

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

For the Year Ended March 31, 2023

PART A - OPERATING EXPENSES	$
Special Warrants amounting to $946,000,000 were issued during the year ended March 31, 2023.	
DEPARTMENT OF FINANCE (VII)	
To provide additional funding for the Carbon Tax Relief Fund that responded to high inflation and federally imposed carbon tax.......	200,000,000
DEPARTMENT OF HEALTH (XXI)	
To provide additional funding for higher than anticipated operating costs for acute care services..	71,200,000
To provide additional funding for higher than anticipated operating costs for blood transfusion services...	2,000,000
To provide additional funding for higher than anticipated operating costs in the Pharmacare drug program..	67,300,000
DEPARTMENT OF MUNICIPAL RELATIONS (XIII)	
To provide additional funding to support municipalities with targeted project funding..	160,700,000
ENABLING APPROPRIATIONS (XXVI)	
To provide additional funding for the Manitoba Household Affordability Program that responded to high inflation in 2022..................	64,000,000
To provide additional funding for the Support Program for Low Income Seniors that responded to high inflation in 2022...................	10,000,000
To provide additional funding for other support programs that responded to high inflation in 2022...	22,000,000
To provide additional funding for increased inflationary and additional costs for the response and recovery from COVID-19.............	178,800,000
To provide additional funding for supports to Ukrainian temporary residents	50,000,000
To provide additional funding to support community and economic recovery and development...	120,000,000
Operating Expenses Total - Part A..........................	946,000,000

STATEMENT OF THE CLAIMS SETTLED

As Required by Section 41(7) of The Financial Administration Act
For the Year Ended March 31, 2023

	$
Legislative Assembly (I)	30,000
Consumer Protection and Government Services (VIII)	253,350
Environment and Climate (XII)	363
Emergency Expenditures (XXVII)	117,000
Families (IX)	200,000
Health (XXI)	815,000
Indigenous Reconciliation and Northern Development (XIX)	215,000
Justice (IV)	531,666
Natural Resources and Northern Develpment (XXV)	3,345
	2,165,724

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, 2023

DEPARTMENT	FUTURE COMMITMENT $
LEGISLATIVE ASSEMBLY (I)	
Service contracts	311,288
	311,288
ADVANCED EDUCATION AND TRAINING (XLIV)	
Service contracts	1,055,984
Other	162,346
	1,218,330
AGRICULTURE (III)	
Service contracts	1,161,613
	1,161,613
CONSUMER PROTECTION AND GOVERNMENT SERVICES (VIII)	
Service contracts	54,954,862
Rental of capital assets	60,190,092
Acquisition or construction of capital	125,016,033
Other	50,000
	240,210,987
ENVIRONMENT AND CLIMATE (XII)	
Service contracts	3,779,500
	3,779,500
ECONOMIC DEVELOPMENT, INVESTMENT AND TRADE (X)	
Service contracts	276,158
	276,158
EDUCATION AND EARLY CHILDHOOD LEARNING (XVI)	
Service contracts	563,521
	563,521
FAMILIES (IX)	
Service contracts	318,033,419
Rental of capital assets	760,968
	318,794,387
FINANCE (VII)	
Service contracts	456,960
	456,960
HEALTH (XXI)	
Service contracts	17,557,605
	17,557,605
INDIGENOUS RECONCILIATION AND NORTHERN RELATIONS (XIX)	
Service contracts	3,266,373
	3,266,373

STATEMENT OF EXPENDITURES RELATED TO CAPITAL AND FUTURE CONTRACT COMMITMENTS (cont'd)

As Required by Section 45(3) of The Financial Administration Act

For the Year Ended March 31, 2023

DEPARTMENT	FUTURE COMMITMENT $
JUSTICE (IV)	
Service contracts	7,788,858
Rental of capital assets	6,420
Acquisition or construction of capital	3,546,681
	11,341,959
MENTAL HEALTH AND COMMUNITY WELLNESS (XXIV)	
Service contracts	489,640
	489,640
MUNICIPAL RELATIONS (XIII)	
Service contracts	1,487,000
Rental of capital assets	344,000
Acquisition or construction of capital	27,000
	1,858,000
NATURAL RESOURCES AND NORTHERN DEVELOPMENT (XXV)	
Service contracts	1,280,000
	1,280,000
SPORT, CULTURE AND HERITAGE (XIV)	
Service contracts	5,495,425
	5,495,425
TRANSPORTATION AND INFRASTRUCTURE (XV)	
Acquisition or construction of capital	215,532,075
	215,532,075
Totals	
Service contracts	417,958,206
Rental of capital assets	61,301,480
Acquisition or construction of capital	344,121,789
Other	212,346
TOTAL	823,593,821

NOTE: The Appropriation Act, 2022 authorizes the Government to commit to expenditures up to an amount not exceeding $900,000,000 for the purpose of ensuring completion of projects or fulfilling contracts initiated in the year ended March 31, 2023. 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(3) of The Financial Administration Act

For the Year Ended March 31, 2023

	2023	2022 Restated
	$	$
REVENUE		
Net Gasoline and Motive Fuel Tax - Note 1	322,564,402	323,117,168
	322,564,402	323,117,168
Less: Tax attributed to aircrafts and locomotives	15,401,538	13,941,473
TOTAL REVENUE	307,162,864	309,175,695
EXPENSES		
Highways and Transportation Programs	4,068,034	1,942,766
Construction and Maintenance		
Maintenance and preservation of provincial trunk highways, provincial roads and related projects	174,140,098	152,390,560
Winter roads	9,932,624	9,070,324
Infrastructure assets - provincial roads and highways	248,956,035	232,926,655
Road construction and maintenance	433,028,757	394,387,539
General assets - road related	3,609,890	3,751,666
Other construction and maintenance	3,609,890	3,751,666
Total Construction and Maintenance	436,638,647	398,139,205
TOTAL EXPENSES	440,706,681	400,081,971
NET RESULT FOR THE YEAR	(133,543,817)	(90,906,276)

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

REPORT ON TRANSFER BETWEEN OPERATING EXPENDITURE APPROPRIATIONS WITHIN DEPARTMENT

As Required by Section 34.1(3) of The Financial Administration Act

Issued Relative to the Year Ended March 31, 2023

TRANSFER BETWEEN OPERATING EXPENDITURE APPROPRIATIONS WITHIN DEPARTMENT

The net effect of all transfers, as reported to the Minister of Finance pursuant to Section 34.1(3) of The Financial Administration Act, are as follows:

	$
Net effect of all transfers for the year ended March 31, 2023	NIL

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

(Unaudited)

For the Year Ended March 31, 2023

	($ millions)		
	Budget	**2023**	**2022 Restated**
Revenue	20,197	22,144	19,944
Expenditure	20,745	21,874	20,694
Operating Surplus (Deficit) For The Year	(548)	270	(750)
Less adjustments:			
1) Net Income Manitoba Hydro	(120)	(638)	248
2) Rainy Day Fund (also known as the Fiscal Stabilization Account)	-	-	-
Deficit balance for the purposes of The Fiscal Responsibility and Taxpayer Protection Act	**(668)**	**(368)**	**(502)**
Baseline Deficit*	**(1,516)**	**(1,516)**	**(1,768)**
* Baseline Deficit, March 31, 2022	(1,768)		
Annual Reduction	252		
Baseline Deficit, March 31, 2023	**(1,516)**		

NOTE 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. Amendments to the Act received Royal Assent on May 20, 2021 that reset the baseline amount to be the deficit calculated in accordance with provisions of the Act for fiscal year 2021. In subsequent years, the baseline amount is reduced by 1/8 of the 2020-21 deficit. For the fiscal year 2023, the baseline amount is $1,516 million.

NOTE 2: 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 by 1/8 of the 2020-21 deficit or more. For other deficits less than the baseline amount, the repayment amount will be prorated.

NOTE 3: For the 2023 fiscal year, the actual deficit is below the baseline amount by $1,148 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.

STATEMENT OF CALCULATION OF SURPLUS OR DEFICIT UNDER THE FISCAL RESPONSIBILITY AND TAXPAYER PROTECTION ACT (cont'd)

(Unaudited)

For the Year Ended March 31, 2023

	Amount of Salaries Withheld	Salary Reduction	Amount to be Paid Back
Stefanson, Hon. H.	$16,665	-	$16,665
Clarke, Hon. E.	$10,888	-	$10,888
Cullen, Hon. C.	$10,888	-	$10,888
Ewasko, Hon. W.	$10,888	-	$10,888
Fielding, Hon. S.	$2,184	-	$2,184
Friesen, Hon. C.	$9,303	-	$9,303
Goertzen, Hon. K.	$10,888	-	$10,888
Gordon, Hon. A.	$10,888	-	$10,888
Guillemard, Hon. S.	$10,888	-	$10,888
Hewler, Hon. R.	$9,303	-	$9,303
Johnson, Hon. D.	$10,888	-	$10,888
Johnston, Hon. S.	$10,888	-	$10,888
Lagimodiere, Hon. A.	$9,303	-	$9,303
Piwniuk, Hon. D.	$10,888	-	$10,888
Reyes, Hon. J.	$10,888	-	$10,888
Smith, Hon. A.	$10,888	-	$10,888
Squires, Hon. R.	$10,888	-	$10,888
Wharton, Hon. J.	$10,888	-	$10,888
	$188,302	-	$188,302

Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba
To the Minister of Health

Opinion

We have audited the Statement of Expenditures for Hospital, Medical, and Other Health Services under the Manitoba Health Services Insurance Plan ("the Plan") for the year ended March 31, 2023 ("the financial statement").

In our opinion, the financial information in the financial statement of the Plan for the year ended March 31, 2023 is prepared, in all material respects, in accordance with Section 6(1) of *The Health Services Insurance Act*.

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 Financial Statement* section of our report. We are independent of the Plan in accordance with the ethical requirements in Canada that are relevant to our audit of the financial statement, 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 the financial statement, which describes the basis of accounting. The financial statement is prepared to assist the Plan to meet the requirements of Section 6(1) of *The Health Services Insurance Act.* As a result, the financial statement may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

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

Our opinion on the financial 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 financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. 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 financial statement

Management is responsible for the preparation of this financial statement in accordance with Section 6(1) of *The Health Services Insurance Act,* and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Plan's financial reporting process.

Auditor's responsibilities for the audit of the financial statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole 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 statement.

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 financial 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 Plan'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 signed by"

Winnipeg, Manitoba
September 27, 2023

Tyson Shtykalo, CPA, CA
Auditor General

STATEMENT OF EXPENDITURES FOR HOSPITAL, MEDICAL, AND OTHER HEALTH SERVICES UNDER THE MANITOBA HEALTH SERVICES INSURANCE PLAN

As required by section 6(1) of the Health Services Insurance Act for the Year Ended March 31, 2023

	2023	2022 Restated
Hospital Services	**$3,910,085,395**	$3,652,187,234
Medical Services	**1,571,404,556**	1,486,605,797
Other Health Services	**50,807,952**	44,807,087

The table above summarizes all expenses incurred for services received and are recognized at a gross amount on an accrual basis under the Manitoba Health Services Insurance Plan during the fiscal year.

Grants paid to the Health Authorities are recognized as expenses in the period the transfer is authorized, any eligibility criteria are met, and the amount can be reasonably estimated.

Hospital service payments include services that an insured person is entitled under the Plan to receive at any hospital, surgical facility or personal care home without payment except for any authorized charges that he or she may be liable to pay are:

- in-patient services and out-patient services in a hospital and out-patient services in a surgical facility;
- such services in a hospital as may be specified in the regulations as being additional hospital services that an insured person is entitled to receive under the Plan; and
- subject to any special waiting period in respect of personal care prescribed in the regulations, and subject to meeting the admission requirements for the personal care home personal care provided in premises designated as personal care homes.

Medical service payments include all services rendered by a medical practitioner that are medically required, but does not include services excepted by the regulations.

Other health service payments include chiropractic, optometric, or midwifery services, or to services provided in hospitals by certified oral surgeons, or to the provision of prosthetic orthotic devices, or to any or all of those services.

As noted above, the 2022 figures have been restated, which reflect corrections required to the Hospital Services line. The restated amount reflects an increase of $70.8 million from the previous stated amount. This restatement does not affect the 2023 figures.

REPORT OF INCOME FROM CROWN AGENCIES

As Required by Section 52.27.1(1) of The Legislative Assembly Act
Issued Relative to the Year Ended March 31, 2023

PAYMENTS TO MLAs FROM CROWN AGENCIES

The reported amounts do not include remuneration or expenses received by the MLAs during the fiscal year for duties performed as a board member of a Crown agency. These amounts, as reported to the Minister of Finance pursuant to Section 52.27.1(1) of The Legislative Assembly Act, are as follows:

	$
Amounts issued for the year ended March 31, 2023	NIL

STATEMENT OF DEBT

As Required by Section 65(1)of the Financial Administration Act
As at the Year Ended March 31, 2023

		($ millions)
		2022/23 Actual
The debt of the government reporting entity excluding Manitoba Hydro		33,098
The Province of Manitoba Guarantees (excluding Manitoba Hydro)		105
Less: amounts borrowed to refinance existing debt		1,513
	subtotal	31,690
Borrowing Authority Limit of the government reporting entity excluding Manitoba Hydro		44,400
	Available authority as at March 31, 2023	12,710
The debt of Manitoba Hydro		24,591
Manitoba Hydro Guarantees		370
	subtotal	24,961
Borrowing Authority Limit of Manitoba Hydro		29,300
	Available authority as at March 31, 2023	4,340

Manitoba

Indigenous Reconciliation and Northern Relations
Assistant Deputy Minister's Office
300 – 213 Notre Dame Ave. Winnipeg, Manitoba R3B 1N3
Telephone: 204-805-0748

April 18, 2023

NORTHERN AFFAIRS FUND

MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the Canadian public sector accounting standards as stated in the notes to the financial statements. In management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgement regarding all necessary estimates and all other data available.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate, and that the assets of the Fund are properly safeguarded.

The responsibility of the Auditor General for Manitoba is to express an independent professional opinion as to whether the financial statements are presented fairly in all material respects.

The Executive Financial Officer has reviewed and approved these financial statements.

On Behalf of Management

Original signed by

Mike Sosiak
Assistant Deputy Minister / Executive Financial Officer
Manitoba Indigenous Reconciliation and Northern Relations

Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Minister of Indigenous Reconciliation and Northern Relations
To the Legislative Assembly of Manitoba

Opinion

We have audited the financial statements of Northern Affairs Fund, which comprise the statement of financial position as at March 31, 2019, and the statement of operations and accumulated deficit, statement of change in net debt, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Northern Affairs Fund as at March 31, 2019, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for 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 Financial Statements* section of our report. We are independent of Northern Affairs Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada that are relevant to our audit of the financial statements, 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Northern Affairs Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate Northern Affairs Fund or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Northern Affairs Fund's financial reporting process.

Auditor General
MANITOBA

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Northern Affairs Fund'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 Northern Affairs Fund'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 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.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, Northern Affairs Fund's scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Original signed by

Office of the Auditor General
Winnipeg, Manitoba
April 14, 2023

NORTHERN AFFAIRS FUND
STATEMENT OF FINANCIAL POSITION
As at March 31, 2019

	2019	2018
Financial Assets		
Cash and cash equivalents (Note 3)	$ 13,497,728	$ 14,027,961
Accounts receivable (Notes 4, 5, 10)	2,162,700	2,137,038
Total Financial Assets	**15,660,428**	**16,164,999**
Liabilities		
Deferred revenue (Note 16)	720,779	-
Accounts payable (Notes 6, 10)	2,487,616	2,967,757
Loans payable (Note 7)	25,823,703	28,119,239
Total Liabilities	**29,032,098**	**31,086,996**
Net Debt	**(13,371,670)**	**(14,921,997)**
Non-Financial Assets		
Construction in progress (Note 8)	**627,275**	**3,868,888**
Total Non-Financial Assets	**627,275**	**3,868,888**
Accumulated Deficit	**$ (12,744,395)**	**$ (11,053,109)**

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

NORTHERN AFFAIRS FUND
STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
For the Year Ended March 31, 2019

	2019	2018
Revenues (Sch 1, SPF)		
Indigenous and Northern Communities	$ 14,215,135	$ 11,966,079
Cottage Administration Fees	31,274	27,938
Indigenous and Northern Affairs	579,861	501,346
Municipal Relations	2,892,230	2,883,005
Department of Families	15,200	18,200
Federal Gas Tax	544,398	507,051
Cottage Subdivision Funds	641,329	656,603
Manitoba Hydro	-	-
Specific Purpose - Various	170,917	163,139
Tax Revenue (Sch 2, NTRA)	2,578,743	2,478,501
Total Revenue	**21,669,087**	**19,201,862**
Expenses (Sch 1, SPF)		
Indigenous and Northern Communities	15,253,544	13,176,735
Cottage Administration Fees	10,282	34,970
Indigenous and Northern Affairs	607,278	513,879
Municipal Relations	2,820,631	2,796,803
Department of Families	14,224	38,100
Federal Gas Tax	1,752,998	49,934
Cottage Subdivision Funds	411,431	516,851
Manitoba Hydro	48,046	82,155
Specific Purpose - Various	172,364	161,996
Tax Administered Expenses (Sch 2, NTRA)	2,269,575	2,255,225
Total Expenses	**23,360,373**	**19,626,648**
Annual Deficit	(1,691,286)	(424,786)
Accumulated Surplus (Deficit) at Beginning of Year	(11,053,109)	(10,628,323)
Accumulated Deficit, End of Year	**$ (12,744,395)**	**$ (11,053,109)**

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

NORTHERN AFFAIRS FUND
STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31, 2019

	2019	2018
Annual Deficit	**$ (1,691,286)**	**$ (424,786)**
Non-Financial Assets		
New construction costs (Note 8)	489,525	864,960
Closed projects (Note 8)	(3,731,138)	(1,565,559)
	(3,241,613)	**(700,599)**
Decrease in Net Debt	**1,550,327**	**275,813**
Net Financial (Debt), Beginning of Year	**(14,921,997)**	**(15,197,810)**
Net Debt, End of Year	**$ (13,371,670)**	**$ (14,921,997)**

The accompanying notes are an integral part of these financial statements

NORTHERN AFFAIRS FUND
STATEMENT OF CASH FLOW
For the Year Ended March 31, 2019

	2019	2018
Operating Activities		
Annual Deficit	**$ (1,691,286)**	**$ (424,786)**
Change in:		
Accounts receivable	(25,662)	(175,482)
Accounts payable	(480,141)	(49,679)
Deferred revenue	720,779	-
Cash used in operating activities	**(1,476,310)**	**(649,947)**
Capital Activities		
Increase in construction in progress	3,241,613	700,599
Cash provided by capital activities	**3,241,613**	**700,599**
Financing Activities		
Decrease in loans payable	(2,295,536)	(2,042,749)
Cash provided by financial transactions	**(2,295,536)**	**(2,042,749)**
Decrease in Cash	(530,233)	(1,992,097)
Cash and Cash Equivalents, Beginning of Year	14,027,961	16,020,058
Cash and Cash Equivalents, End of Year (Note 3)	**$ 13,497,728**	**$ 14,027,961**

Supplemental Cash Flow Information		
Interest Received	297,026	226,326
Interest Paid	1,070,296	1,040,841

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

SCHEDULE 1

NORTHERN AFFAIRS FUND

SPECIFIC PURPOSE FUNDS AND ACCUMULATED DEFICIT

For the Year Ended March 31, 2019

	Balance 31-Mar-18	SPF Transfers	Transfer from Taxation Fund Account (Note 10)	Revenue	Expense	Balance 31-Mar-19
Indigenous and Northern Communities						
Community Council Funds (Note 11)	$ (19,242,063)	$ 8,319		$ 13,144,839	$ 14,258,360	$ (20,347,265)
Community Capital Support	(891,434)			1,070,296	995,184	(816,322)
	(20,133,497)	8,319	-	14,215,135	15,253,544	(21,163,587)
Cottage Administration Fees	72,151			31,274	10,282	93,143
Indigenous and Northern Affairs						
Department Revenue/Transfer Payments	-			518,723	518,723	-
RBC Payment Distribution	(247)			1,514	1,373	(106)
Fire Training	216,075			-	-	216,075
Sturgeon Landing Road	40,187			-	285	39,902
Community Ergonomics	20,556			-	1,248	19,308
Northern Ministers Development Forum	70,071			-	1,195	68,876
Workplace Safety and Health Training	1,263			-	-	1,263
Community Clerk Workshop	23,857			-	-	23,857
Water Operator Certification	17,607			-	-	17,607
Water Treatment Plant Assessments	37,564			-	-	37,564
Surveys	10,249			-	-	10,249
Resource Management Boards	86,085			-	18,562	67,523
Resource Management Boards Wildlife Projects	10,437			-	-	10,437
Hollow Water Waste Disposal Site	79,420			59,450	52,304	86,566
911 Emergency Services	48,224			-	13,414	34,810
Bluff Road	-			174	174	-
	661,348			579,861	607,278	633,931
Department of Municipal Relations						
General Assistance Grant	470,168			2,751,990	2,689,502	532,656
Municipal Program Grant	-	(9,111)		140,240	131,129	-
	470,168	(9,111)	-	2,892,230	2,820,631	532,656
Department of Families						
Building Independence Program	3,779	792		15,200	14,224	5,547
Federal Gas Tax	4,044,490			544,398	1,752,998	2,835,890
Cottage Subdivision Funds						
Northern Affairs Levy	905,610			641,329	411,431	1,135,508
Manitoba Hydro						
MB Hydro-Historic Resources Trust	102,188	-		-	48,046	54,142
SWAP 2006	7,002	-		-	-	7,002
	109,190	-	-	-	48,046	61,144
Specific Purpose - Various						
Nelson House Claims Account	11,722			184	11,392	514
Sturgeon Management Program	10,145			163,964	160,972	13,137
Northern Healthy Foods Initiative	2,583			-	-	2,583
Treaty Land Entitlement	174,863			-	-	174,863
OPCN-CUFMA Agreement	139,468			-	-	139,468
MMF Historical Research/Tripartite	51,348			-	-	51,348
Consultation Unit	23,612			-	-	23,612
Property Tax Enhancement (Note 10)	507,932	-	124,228	6,769	-	638,929
	921,673	-	124,228	170,917	172,364	1,044,454
Accumulated Surplus (Deficit)	$ (12,945,088)	-	$ 124,228	$ 19,090,344	$ 21,090,798	$ (14,821,314)

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

SCHEDULE 2
NORTHERN AFFAIRS FUND
NET TAX REVENUES ADMINISTERED AND ACCUMULATED SURPLUS
For the Year Ended March 31, 2019

	2019	2018
Tax Revenues		
Taxation levies	$ 1,595,857	$ 1,527,356
Grants in lieu of taxes	688,747	693,034
Tax penalties	224,163	191,109
Rentals - hay and grazing	64,246	66,102
Other	5,730	900
Total Tax Revenues	**2,578,743**	**2,478,501**
Administered Expenses		
Frontier School Division special levy	1,084,042	1,061,354
Public Schools Finance Board – Education Support Levy	473,506	461,020
Municipal levy	435,873	394,970
Hay and Grazing leases	29,707	30,233
Department of Municipal Relations	52,701	52,639
Budgeted allowance for doubtful accounts	190,774	251,683
Other	2,972	3,326
Total Administered Expenses	**2,269,575**	**2,255,225**
Net Tax Revenue Administered	**309,168**	**223,276**
Accumulated Surplus at Beginning of Year	**1,891,979**	**1,718,628**
Transfer to Specific Purpose Funds Account (Note 10)	(124,228)	(49,925)
Accumulated Surplus at End of Year	**$ 2,076,919**	**$ 1,891,979**

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

1. Purpose of the Organization

The purpose of the Northern Affairs Fund (the Fund) is to administer trust funds on behalf of the designated communities and administer the property tax system within the jurisdiction of the Department of Municipal Relations (as of the audit report date they report to the Department of Indigenous Reconciliation and Northern Relations) in compliance with *The Northern Affairs Act.*

a) Specific Purpose Funds Account

Used to account for all monies advanced to the Minister of Indigenous and Municipal Relations to provide financial services to community councils in northern areas of Manitoba.

b) Taxation Fund Account

Levies property and business taxes based on real property assessments and remits the tax requirements to school divisions and The Public Schools Finance Board. Taxes collected for local purposes in the communities are remitted to the community councils when collected.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

The financial statements of the Fund are prepared by management in accordance with Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

b) Revenues and Expenses

I. Revenue and expenses are recognized in the period in which the transaction or events occurred. Revenue and expenses are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impractical.

II. Interest revenue earned on short-term deposits is recognized in the period in which the transaction occurred and recorded on an accrual basis.

III. Tax revenues from property tax assessments, including interest & penalties on overdue payments, are recorded in the year earned and are recorded net of the education property tax credit advance. Transfers made through the tax system are recorded as an expense. Due to the timing differences between the entity's fiscal year and the tax calendar year, receivables are accrued based on the tax assessments of the subsequent tax year.

c) Government Transfers

Government transfers are recognized in the Fund's financial statements as expenses or revenues in the period that the events giving rise to the transfer occurred as long as the transfer is authorized, eligibility criteria, if any, have been met by the recipient, and a reasonable estimate of the amount can be made.

d) Construction in Progress

Construction in Progress represents purchased or constructed assets and is recorded at cost. When the asset is ready to be put into use for the community, the asset is authorized as completed and the project is closed. Subsequently, the closed project/asset is transferred to the community by clearing through the Community Council Funds' specific purpose account.

e) Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term deposits with maturities of three months or less from the deposit date and are held for meeting short-term commitments rather than for investing.

f) Financial Instruments

Financial instruments are classified into one of two measurement categories; (a) fair value; or (b) cost or amortized cost. Financial instruments including cash and cash equivalents, accounts receivable and other receivables – Province of Manitoba, accounts payable and loans payable – Province of Manitoba are recorded at cost.

Gains and losses on financial instruments measured at fair value are recorded in accumulated surplus as re-measurement gains and losses until recognized. Upon disposition of the financial instruments, the cumulative re-measurement gains and losses are reclassified to the Statement of Operations and Accumulated Deficit.

As at March 31, 2019, the Fund does not have any financial instruments measured at fair value. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the Statement of Operations and Accumulated Deficit in the period the gain or loss occurs.

The Fund did not incur any re-measurement gains and losses during the year ended March 31, 2019.

g) Allowance for Uncollectible Taxes and Grants in Lieu of Taxes

The allowance for uncollectible taxes and grants in lieu of taxes consists of tax cancellations relating to specific tax rolls and an estimate of uncollectible accounts based on the history of tax collections.

h) Measurement Uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from management's best estimate as additional information becomes available in the future.

i) Administrative Support

The Department of Reconciliation and Northern Relations provides administrative services at no charge to the Fund. The cost of these services for the year ended March 31, 2019 is estimated to be $254,239 (2018 - $311,054).

j) Budget

The statement of operations and accumulated surplus and the statement of change in net financial assets do not present budgeted financial results due to the nature of the Northern Affairs Fund, which administers the funds on behalf of designated communities.

3. Cash and Cash Equivalents

	2019	2018
Cash – Specific Purpose Funds	$ 8,675,459	$ 9,070,324
Cash – Taxation Fund	100,200	100,200
Investments Payable to Communities	868,875	925,779
Cash Equivalents	3,853,194	3,931,658
	$ 13,497,728	**$ 14,027,961**

Cash equivalents are 90 day callable deposits with an interest rate in range of 0.50%-0.57% and within the Province of Manitoba trust account. Deposits are normally held to maturity, but if early withdrawal is required the interest rates are applicable up to date of withdrawal.

4. Accounts Receivable

	2019	2018
Accounts receivable - Province of Manitoba (Specific purpose fund)	$ 155,161	$ 295,479
Accounts receivable - Taxation Fund (Note 5)	1,977,735	1,791,778
Taxation Fund Receivable	29,804	49,781
	$ 2,162,700	**$ 2,137,038**

5. Accounts Receivable-Taxation Fund

	2019	2018
Taxes Receivable, End of year	$ 3,837,237	$ 3,471,450
Allowance for Doubtful Accounts	(1,909,023)	(1,718,250)
Total Net Taxes Receivable, End of Year	1,928,214	1,753,200
Other Receivables – Province of Manitoba	49,521	38,578
	$ 1,977,735	**$ 1,791,778**

6. Accounts Payable

	2019	2018
Accounts Payable - Specific Purpose Funds		
Accrued Liabilities	$ 801,403	$ 1,150,544
Interest Payable	816,322	891,434
Invested Community /Reserves Payable	868,875	925,779
Accounts Payable-Taxation Fund	1,016	-
	$ 2,487,616	**$ 2,967,757**

7. Loans Payable

Payment of principal and interest is funded primarily by grants from the Province of Manitoba.

Loans from the Province of Manitoba include the following:

	2019	2018
Province of Manitoba, interest 4.45%, repayable in annual installments plus interest until May 31, 2019 (Original draw November 30, 2009; $2,600,000)	$ 307,110	$ 601,135
Province of Manitoba, interest 4.45%, repayable in annual installments plus interest until May 31, 2019 (Original draw February 1, 2010; $1,950,000)	$ 228,601	$ 447,464
Province of Manitoba, interest 4.95%, repayable in annual installments plus interest until May 31, 2020 (Original draw May 11, 2010; $1,600,000)	$ 384,621	$ 563,435
Province of Manitoba, interest 4.00%, repayable in annual installments plus interest until May 31, 2025 (Original draw October 1, 2010; $4,100,000)	$ 2,140,583	$ 2,412,829
Province of Manitoba, interest 3.875%, repayable in annual installments plus interest until May 31, 2020 (Original draw March 31, 2011; $1,000,000)	$ 224,315	$ 330,237
Province of Manitoba, interest 3.00%, repayable in annual installments plus interest until May 31, 2022 (Original draw December 1, 2011; $2,000,000)	$ 791,742	$ 975,490
Province of Manitoba, interest 3.00%, repayable in annual installments plus interest until May 31, 2022 (Original draw March 31, 2012; $2,000,000)	$ 875,771	$ 1,079,020
Province of Manitoba, interest 4.25%, repayable in annual installments plus interest until May 31, 2034 (Original draw December 31, 2013; $6,000,000)	$ 5,163,229	$ 5,385,658

Province of Manitoba, interest 3.50%, repayable in annual installments plus interest until May 31, 2035 (Original draw December 31, 2014; $7,000,000)	$ 6,231,124	$ 6,496,281
Province of Manitoba, interest 3.75%, repayable in annual installments plus interest until May 31, 2036 (Original draw December 31, 2015; $5,000,000)	$ 4,648,917	$ 4,827,690
Province of Manitoba, interest 3.75%, repayable in annual installments plus interest until May 31, 2037 (Original draw December 31, 2016; $5,000,000)	$ 4,827,690	$ 5,000,000
	$25,823,703	**$28,119,239**

Interest payable includes the following:

$ 1,152,140 – 305 days, 4.45%	11,382
$ 857,612 – 305 days, 4.45%	8,477
$ 896,161 – 305 days, 4.95%	15,857
$ 2,926,309 – 305 days, 4.00%	71,314
$ 530,373 – 305 days, 3.875%	7,240
$ 1,326,980 – 305 days, 3.00%	19,783
$ 1,467,814 – 305 days, 3.00%	21,882
$ 5,803,681 – 305 days, 4.25%	182,764
$ 7,000,000 – 305 days, 3.50%	181,642
$ 5,000,000 – 305 days, 3.75%	145,199
$5,000,000 - 305 days, 3.75%	150,783
	$ 816,322

	Loan Principal	Interest
2019	$ 2,385,714	$ 980,118
2020	1,919,854	886,427
2021	1,667,193	813,666
2022	1,727,832	753,027
2023	1,342,075	690,151
Subsequent Years (from 2024)	16,781,035	4,450,502
	$ 25,823,703	**$ 8,573,891**

The Department submitted a TB Submission on January 7, 2020 to discontinue the use of Loan Act borrowings for capital projects in Northern Affairs communities and increase its Capital Grants budget in operating expenditures as the funding source for these projects. A one-time spending authority of $24.9M through supplementary funding in 2019/20 for the Northern Affairs Fund (NAF) to pay off the outstanding Principal Loan was approved by the Treasury Board.

8. Construction in Progress

	2019	2018
Balance, Beginning of Year	**$ 3,868,888**	**$ 4,569,487**
New Construction Costs	489,525	864,960
Closed Projects	(3,731,138)	(1,565,559)
Balance, End of Year	**$ 627,275**	**$ 3,868,888**

9. Northern Affairs Fund – Specific Purpose Funds

The Northern Affairs Fund administers the following Specific Purpose Funds:

Indigenous and Northern Affairs Communities:

Community Council Funds – The Department of Municipal Relations provides funding to support communities in the Indigenous and Northern Affairs jurisdiction for the operation, maintenance and construction of their municipal infrastructure.

Community Capital Support – The Department of Municipal Relations provides funding to satisfy principal and interest due on loans payable to the Province of Manitoba (community capital funding source).

Cottage Administration Fees:

Cottage Administration Fees – A portion of funds from the cottagers levy are set aside within the specific purpose fund to provide administrative support to cottage areas.

Indigenous and Northern Affairs:

Departmental Revenue/Transfer Payments – Revenue received from a variety of sources by the Department of Indigenous Reconciliation and Northern Relations is transferred to the consolidated fund of the Province of Manitoba.

RBC Payment Distribution – The Department of Municipal Relations covers the costs for electronic bank transfer services for payroll cheques for communities and programs where funds are administered in trust.

Fire Training – The Department of Municipal Relations provides funding for community fire training requirements identified as a result of the Fire Program Review.

Sturgeon Landing Road – The Department of Municipal Relations provides funding to maintain the Sturgeon Landing Road and recovers 50% of the costs from the Saskatchewan Provincial Government.

Community Ergonomics – The Department of Municipal Relations funding as per Workplace Safety and Health Regulation 217/2006 to assist community councils with developing a Community Ergonomic Plan (CEP).

Northern Ministers Development Forum – The Department of Municipal Relations and other provincial governments provide funding for a special project on Maximizing the Economic and Social Impacts from Major Projects in the North.

Workplace Safety and Health Training – The Department of Municipal Relations provides funding for community workplace safety and health program training requirements.

Community Clerk Workshop – The Department of Municipal Relations provides funding to support training and development of the Community Administrative Officers and support staff.

Water Operator Certification – The Department of Municipal Relations provides funding for community water/wastewater plant operator certification.

Water Treatment Plant Assessments – The Department of Municipal Relations provides funding of engineering assessments on all water treatment plants within Indigenous and Northern Affairs jurisdiction to meet legislated requirements.

Surveys – The Department of Municipal Relations provides funding to conduct land surveys within the communities.

Resource Management Boards – The Department of Municipal Relations provides funding to resource management boards for land use planning activities.

Resource Management Boards Wildlife Projects – The Department of Municipal Relations provides funding for wildlife projects under the resource management boards for polar bear and caribou activities.

Hollow Water Waste Disposal Site – Communities in the Indigenous and Northern Affairs jurisdiction provide funding for the operations and maintenance of a regional waste disposal site for Hollow Water, Manigotagan, Bissett, Aghaming and Seymourville.

911 Emergency Services - The Department of Municipal Relations provides support to implement the 911 emergency response systems in Indigenous and Northern Affairs Communities.

Bluff Road – The Department of Aboriginal and Northern Affairs provides funding to maintain the Bluff Road.

<u>Municipal Relations</u>:

Municipal Programs Grant – The Department of Municipal Relations provides unconditional funding to support municipal services.

General Assistance Grant – The Department of Finance provides funding through the distribution of tax revenue on a per capita basis (based on the most recent census) to support municipal services.

<u>Department of Families</u>:

Building Independence Program – The Department of Families provides funding to support a program directed at providing work experience for recipients of social assistance living in Indigenous and Northern

Affairs communities.

Federal Government:

Federal Gas Tax – Funds provided through the Department of Municipal Relations to support community infrastructure projects within the jurisdiction of Indigenous and Northern Affairs.

Cottage Subdivision Funds:

Northern Affairs Levy – Funds levied to provide municipal services to unassessed cottage properties within the Indigenous and Northern Affairs jurisdiction.

Manitoba Hydro:

Nelson River Archaeological Survey – Manitoba Hydro provides funding to support archaeological investigation in areas of historical and cultural importance, which has been impacted by hydro-electric development.

Pimichikamak Archaeological Project – Manitoba Hydro provides funding to prepare a plan for an archaeological survey at Sipiwisk Lake.

SWAP 2006 – Manitoba Hydro provides funding to support the system-wide archaeological project.

Specific Purpose – Various:

Nelson House Claims Account – Manitoba Hydro and the Department of Municipal Relations provide funding for the Nelson House Community Settlement Agreement.

Sturgeon Management Program – Manitoba Hydro and the Department of Municipal Relations provide funding for the operation of the Sturgeon Management Board.

Northern Healthy Foods Initiative – The Department of Municipal Relations in partnership in MAFRI and Healthy Living and Healthy Child Manitoba provide funding to assist northern communities with their food self-sufficiency projects.

Treaty Land Entitlement – The Federal Government provides funding for photogrammetric land surveys to support and expedite the Treaty Land Entitlement process.

OPCN/CUFMA – The Department of Municipal Relations had completed a multi-year Capital Upgrading Funding Management Agreement (CUFMA) to support the conversion of South Indian Lake to a federal reserve for the O-Pipon-Na-Piwin Cree Nation (OPCN) in 2013/14 and continued to provide funding to support the implementation of the reserve conversion.

MMF Historical Research/Tripartite – The Department of Municipal Relations has an agreement with the Government of Canada and the Manitoba Metis Federation to provide funding for this historical research project, an initiative under the Manitoba Metis Policy.

Consultation Unit – The Department of Municipal Relations provides funding to assist with the Crown-Indigenous consultation process.

Property Tax Enhancement – The Taxation Fund Account transfers any cash in excess of $100,100 as at March 31, 2019 as a contribution to remote communities. In addition, other governmental departments and organizations provide funding to enhance community programs.

10. Inter-fund Transfers

A maximum cash balance of $100,100 is retained in the Taxation Fund Account as at March 31 of each year to cover current needs. Cash in excess of $100,100 is transferred from the Taxation Fund Account to the Specific Purpose Funds Account as a contribution to costs incurred by the fund in providing services in remote areas which do not have a local government to provide these services. The amount of excess at March 31, 2019 was $124,228 (2018 $49,925). The transfer of $124,228 from the Taxation Fund Account to the Specific Purpose Funds Account is excluded from accounts receivable & accounts payable on the Statement of Financial Position and revenue & expenses on the Statement of Operations and Accumulated Deficit.

11. Community Council Funds Revenue

Community Council Fund Revenue includes the following:

	2019	2018
Province of Manitoba, Department of Municipal Relations	$ 12,737,402	$10,564,694
Locally generated revenue	-	815
Municipal tax collections transferred from Taxation Fund Account	377,730	329,496
Department of Agriculture, Food and Rural Initiatives, hay and grazing rental transferred from taxation Fund Account	29,707	30,233
	$ 13,144,839	**$10,925,238**

12. Public Sector Compensation Disclosure Act

In accordance with the Public Sector Compensation Disclosure Act the Northern Affairs Fund shall disclose to the public the amount of compensation it pays or provides in the fiscal year to any member of council, officer or employee of the communities if the amount paid is $50,000 or more annually. For the year ended March 31, 2019:

a) There were no members of council, officers or employees of the communities receiving compensation of $50,000 or more individually.

b) The aggregate compensation paid to all communities was $11,615 in 2019 and $11,500 in 2018 as follows:

Community	2019	2018
Aghaming	1,265	1,380
Baden	1,610	1,380

Herb Lake Landing	690	1,035
Loon Straits	1,265	1,380
Powell	1,380	1,380
Princess Harbour	1,265	1,380
Red Deer Lake	1,495	1,380
Red Sucker Lake	1,265	1,380
Salt Point	1,380	805
	$ 11,615	**$ 11,500**

13. Related Party Transactions

The Minister of Indigenous Reconciliation and Northern Relations has control of the Northern Affairs Fund. Key management personnel and their close family members are related parties. They are identified as the Minister and Deputy Minister of Indigenous Reconciliation and Northern Relations, and their spouses, and any controlled business.
Related party transactions are recorded at the exchange amount. Material transactions, in aggregate, or balances are disclosed separately. Indigenous Reconciliation and Northern Relations administrative provides services to the Northern Affairs Fund at no charge. The cost of these services includes a portion of the salaries and benefits of departmental staff and other expenses. Management has not estimated the cost of these services and these unallocated costs are not recognized in the financial statements.

14. Contractual Obligations

As part of operations, Indigenous Reconciliation and Northern Relations entered into agreements with Manitoba Sustainable Development (now Conservation and Climate) on October 25, 2016 to allow Indigenous Reconciliation and Northern Relations to access the Cuprus sewage lagoon for the disposal of wastewater and sewage generated from cottagers located in the Bakers Narrow area within Indigenous Reconciliation and Northern Relations' jurisdiction. The agreement expires on October 31, 2026. Pursuant to the agreement, Indigenous Reconciliation and Northern Relations must pay a total of $414,373 to Manitoba Conservation and Climate. Payments are made on monthly basis from the Northern Affairs Fund as customers pay their share of the fee. The full balance is due by October 31, 2026.

15. Financial Risk Management

The Northern Affairs Fund has exposure to the following risks from its use of financial instruments: liquidity risk, interest rate risk, credit risk and currency risk.

Liquidity risk

Liquidity risk arises from the possibility of the Northern Affairs Fund having insufficient financial resources to meet its financial obligations when they come due.

The Northern Affairs Fund mitigates this risk through cash management. The Northern Affairs Fund continuously monitors and reviews both actual and forecasted cash flows through periodic financial reporting. Accounts payable are typically paid when due or in the case of loans payable – Province of Manitoba are repaid in accordance with a schedule over the term to maturity.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and cash equivalents and loans payable – Province of Manitoba.

The interest rate risk on cash and cash equivalents is considered low due to their short-term nature.
The Northern Affairs Fund is exposed to interest rate risk on its loans payable – Province of Manitoba which carries specific rates of interest. A 1% increase in interest rates would have an effect of $258,237 and increase expenditures.

However, the interest rate risk on loans payable – Province of Manitoba is low because the rate is fixed for the term to maturity and the Province of Manitoba is funding all required interest payments. Therefore, revenue of the Community Capital Support Funds would also be increased by $258,237.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to the counter-party. The financial instruments that potentially subject the Northern Affairs Fund to credit risk consist principally of cash and cash equivalents and accounts receivable – Province of Manitoba.

The maximum exposure of Northern Affairs Fund to credit risk at March 31st is:

	2019	2018
Cash and Cash equivalent (Note 3)	$ 13,497,728	$ 14,027,961
Account Receivable - Province of Manitoba (Specific Purpose Fund) (Note 4)	155,161	295,479
Other Receivables - Province of Manitoba (Note 5)	49,521	38,578
	$ 13,702,410	**$ 14,362,018**

Cash in bank: The Northern Affairs Fund is not exposed to significant risk as the cash in the bank is held with a large Canadian financial institution.

Cash equivalents: The Northern Affairs Fund is not exposed to significant risks as the deposits are held within the Province of Manitoba's Trust account.

Accounts Receivable and Other Receivables – Province of Manitoba: The Northern Affairs Fund is not exposed to significant risk as the receivable is from the Province of Manitoba.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Northern Affairs Fund is not exposed to significant foreign currency risk, as it does not have any financial instruments denominated in foreign currency.

16. Deferred Revenue

General Assistance Grant was overpaid in 2018-19 due to a calculation error at the year-end of 2017-18. IRNR received $720,779 more than the full amount for 2018-19. This amount has been shown as deferred revenue in the 2018-19 financial statements and carried forward to 2019-20.

GLOSSARY OF KEY TERMS

Asset retirement obligations: Asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. Asset retirement activities include all activities relating to an asset retirement obligation. These may include, but are not limited to:

- Decommissioning or dismantling a tangible capital asset that was acquired, constructed or developed;
- Remediation (cleanup) of contamination of a tangible capital asset created by its normal use;
- Post-retirement activities such as monitoring; and
- Constructing other tangible capital assets to perform post-retirement activities.

Public Debt: 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.

Carrying Value: A measure of value for the assets presented on the Statement of Financial Position. The carrying value represents the asset value in cost, amortized cost, a mix of cost and fair value, net book value or net present value.

Cash equivalents: Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing or other purposes.

Debt servicing cost: Interest and other expenses associated with provincial borrowings.

Derivative contract: Financial contracts, the value of which is derived from the value of underlying assets, indices, interest rates, or currency rates. They usually give rise to a financial asset of one party and a financial liability or equity instrument of another party, require no initial net investment and are settled at a future date. A derivative contract has the following three characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, or credit rating or other variable;
- It requires no initial net investment or the initial investment is smaller than would be required for other types of contracts that would be expected to have a smaller response to changes in market factors; and
- It is settled in the future.

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 with the financial and operating authority to carry on a business, which 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 with the financial and operating authority to carry on a business, which sells goods or services to individuals and organizations outside the GRE and can maintain its business on those revenues; governments include its proportionate share of the partnership only in the consolidated summary financial statements.

Government component: An integral part of government, such as a department or fund, that 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 (e.g., public sector organizations such as regional health authorities, school divisions, universities and colleges). See also ORE.

Government partnership: A contractual arrangement between the government and other partners to 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, organizations, business entities and partnerships; and other reporting entities.

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

Guarantees: Province's guarantee to honour the repayment of debt or loans of an organization, primarily GBEs (e.g., Manitoba Hydro Savings Bonds).

Financial instruments: They are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity.

Ministry: A grouping of government components, organizations and partnerships within a specific area of public administration that is presided over by a minister, not including GBEs and GBPs.

Net debt to GDP ratio: Ratio of government net debt relative to the total market value of all goods and services produced in the Manitoba economy. Net debt represents the total liabilities of the government minus its financial assets – a factor widely used by credit rating agencies and other analysts to evaluate the financial situation and trends of jurisdictions regarding their relative creditworthiness.

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

Other Comprehensive Income (OCI): An accounting recognition of unrealized gains and losses in fair market value of financial instruments (e.g., investments held as available for sale or trading or debt held in a foreign currency). Currently, OCI accounting standards apply only to GBEs. It is measured as the change in "mark-to-market" valuations, interest rates, or foreign exchange rates at year end (e.g., 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 (e.g., government organizations, government business entities, and government partnerships), including 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; see also Government Organization.

Pension liability: Outstanding actuarially-calculated pension liability of the government and participating government organizations; includes amounts funded through the voted appropriations of government departments, as well as the actuarially-determined increases in the pension liability.

Public Sector Accounting Standards (PSAS): Authoritative standards for financial accounting and reporting developed through an organized standard-setting process, and issued by a recognized standard-setting body, that specify how transactions and other events are to be recognized, measured, presented and disclosed in a public sector entity's financial statements. These standards are established to meet the needs of users of financial statements by providing the information needed for accountability and decision making. The standards are derived from the CPA Canada Public Sector Accounting (PSA) Handbook, which are accounting standards that apply to all public sector entities (e.g., governments, government organizations and certain government partnerships) that issue general purpose financial statements, unless specifically directed or permitted to use alternative standards by the Public Sector Accounting Board.

Remeasurement gains and losses: Revenues and expenses recognized in the Consolidated Statement of Remeasurement Gains and Losses arising when prior to an item's settlement, an exchange gain or loss is recognized; and when financial instruments in the fair value category are remeasured.

Summary net debt: Represents the total liabilities of the GRE minus its financial assets; reflects the residual amount that will have to be paid or financed by future revenue.

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

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