



# *Focused on what matters most to families*

**Province of Manitoba**

**2013/14 Quarterly Financial Report  
April to June 2013**

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## **INTRODUCTION**

Budget 2013 provided the financial overview of the Government Reporting Entity (GRE), which includes core government and Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges. Manitoba's summary budget aligns with the accounting standards set by the Public Sector Accounting Board (PSAB) and fully reflects Generally Accepted Accounting Principles (GAAP).

The financial information in this quarterly financial report is presented in the same format as the budget. The first quarter

financial report presents information on the GRE for the three months ending June 30, 2013. The report also contains an economic performance and outlook. Consistent with prior years, an updated projection for the year end will be provided in the second quarter report.

**GOVERNMENT REPORTING ENTITY (GRE)**

Manitoba continues to be committed to a balanced approach for delivering services while recognizing the continued uncertainty in global economies. This approach is demonstrated by the protection of the services Manitoba families need and by making strategic investments in infrastructure to support economic growth and provide for the services Manitobans require in the future.

While private sector forecasters expect Manitoba’s overall economic growth to remain comparatively stable among provinces,

pressures in supports for vulnerable persons and public safety remain challenging. Hot, dry conditions in northern Manitoba this summer have led to additional expenditures for forest fire suppression with the costs of delivery continuing to be assessed.

The impact of these pressures will continue to be closely monitored and more complete information on expenditure and revenue will provide the basis for a year end projection in the second quarter report.

**Budgeted Summary Net Income/(Loss)**

For the Fiscal Year Ending March 31, 2014

UNAUDITED

| (Millions of Dollars)    | 2013/14 Budget  |  |              |
|--------------------------|-----------------|--|--------------|
|                          | Core Government | Consolidation Impacts and Other Reporting Entities | Summary      |
| Revenue                  | 11,524          | 2,685  | 14,209       |
| Expenditure              | 12,099          | 2,778  | 14,877       |
| In-Year Adjustment/Lapse | (70)            | (80)   | (150)        |
| <b>NET INCOME (LOSS)</b> | <b>(505)</b>    | <b>(13)</b>  | <b>(518)</b> |

**QUARTERLY FINANCIAL RESULTS**

The unaudited net result of the Government Reporting Entity for the first three months of the fiscal year is a loss of \$128 million.

The expenditure variance of \$(74) million is primarily the result of timing.

The three-month positive revenue variance of \$51 million is primarily due to higher than estimated Retail Sales Tax and Government Business Enterprise net income.

**Government Reporting Entity Operating Statement**

UNAUDITED

| (\$000s)  | Year-to-Date to June 30 |                  |                 |                     |
|---|-------------------------|------------------|-----------------|---------------------|
|   | 2013/14                 |                  |                 | 2012/13             |
|   | Actual                  | Estimated        | Variance        | Actual <sup>1</sup> |
| <b>Revenue</b>                                  |                         |                  |                 |                     |
| Income Taxes                                    | 928,953                 | 928,953          | -               | 792,656             |
| Other Taxes                                     | 802,391                 | 761,072          | 41,319          | 723,236             |
| Fees and Other Revenue                          | 488,375                 | 491,796          | (3,421)         | 353,712             |
| Federal Transfers                               | 999,826                 | 1,001,965        | (2,139)         | 945,839             |
| Net Income of Government                        |                         |                  |                 |                     |
| Business Enterprises                            | 115,223                 | 97,341           | 17,882          | 139,948             |
| Sinking Funds and Other Earnings                | 61,272                  | 63,441           | (2,169)         | 50,900              |
| <b>Total Revenue</b>                            | <b>3,396,040</b>        | <b>3,344,568</b> | <b>51,472</b>   | <b>3,006,291</b>    |
| <b>Expenditure</b>                              |                         |                  |                 |                     |
| Health and Healthy Living                       | 1,553,228               | 1,539,248        | 13,980          | 1,301,130           |
| Education                                       | 912,510                 | 923,098          | (10,588)        | 1,051,925           |
| Family Services                                 | 264,799                 | 279,537          | (14,738)        | 257,349             |
| Community, Economic and<br>Resource Development | 455,042                 | 499,893          | (44,851)        | 467,298             |
| Justice and Other Expenditures                  | 195,921                 | 213,568          | (17,647)        | 206,337             |
| Debt Servicing Costs                            | 142,582                 | 142,248          | 334             | 149,897             |
| <b>Total Expenditure</b>                        | <b>3,524,082</b>        | <b>3,597,592</b> | <b>(73,511)</b> | <b>3,433,936</b>    |
| <b>NET INCOME (LOSS)</b>                        | <b>(128,042)</b>        | <b>(253,024)</b> | <b>124,983</b>  | <b>(427,645)</b>    |

1. For comparative purposes the 2012/13 Actual has been re-stated to reflect the 2013/14 appropriation structure.

Core government revenue and expenditure details are provided in Appendix I and II on pages 9 and 10.

**INFRASTRUCTURE AND CAPITAL ASSET RENEWAL**

Expenditures for infrastructure and capital asset renewal in 2013/14 are budgeted to be \$1.8 billion to support continued economic growth, reduce the maintenance burden and provide for the services Manitobans need in the future.

Based on principles of sound financial management, the government has been able to increase the assets of the province while maintaining a manageable level of debt. Budget 2013 provides the resources to invest in much needed flood-related and other infrastructure to meet the needs of Manitoba into the future. This includes upgrading roads and highways, wastewater treatment plants, health facilities across the province, building and restoring much needed social housing and modernizing our schools and post-secondary institutions.

As borrowings may be used to finance capital related projects, net debt may grow in absolute terms from time to time as needed investments in capital assets – like highway infrastructure, schools and hospitals – are made. It is therefore important to measure change in net debt against the growth of the economy. As a result of the decision to continue to invest in infrastructure projects, Budget 2013 projected the net debt to GDP ratio at 28.7%.

Core government capital investment details are provided in Appendix III on page 11.

**SPECIAL ACCOUNTS****Fiscal Stabilization**

Manitoba's balanced financial strategy maintains the legislated requirement to dedicate at least \$600 million of the funds set aside in this Account to retire a portion of the debt and interest expense associated with the core government operating shortfalls incurred during the economic recovery period. In 2013/14, \$100 million will be withdrawn for debt repayment.

**Pension Assets**

The trust conditions of the funds held in the Pension Asset Fund are irrevocably restricted for pension purposes only. As a result of this restriction, these funds are classified as pension assets and will be accounted for and reported in keeping with GAAP for senior governments.

The fund balance is projected to increase in 2013/14 for net investment earnings.

Net investment earnings include the expected rate of return during the year and adjustments to market related value. Under GAAP, market fluctuations of pension assets are not recorded in the year in which they occur, but are recognized over the employee average remaining service life (EARSLS).

**PROVINCIAL BORROWINGS,  
GUARANTEES AND OBLIGATIONS**

Manitoba's borrowing requirement identified in Budget 2013 was \$4.8 billion including refinancing of \$2.2 billion and new cash requirements, net of estimated repayments, of \$2.6 billion.

New cash requirements are necessary for general government purposes, capital investments by departments, health facilities, post-secondary institutions and Manitoba Hydro. Estimated repayments are primarily for departmental capital investment and general purpose borrowings.

The total of outstanding borrowings, guarantees and obligations reflect the province's gross borrowing obligations, but it does not take into consideration liquid assets available to pay down those obligations. While the total of outstanding provincial borrowings fluctuates during the fiscal year as a result of the timing of borrowing activities of the province, the year-end forecast remains unchanged from that stated in the budget, as shown in the table on the following page.

An updated forecast for 2013/14 with comparative data for 2012/13 actual results will be provided in the second quarter report.

**Provincial Borrowings, Guarantees and Obligations**

|  | <b>2013/14 Budget</b> |                       |
|--|-----------------------|-----------------------|
|  | <b>\$ millions</b>    | <b>\$ Per Capita*</b> |
| <b>Provincial Borrowings, Guarantees and Obligations<sup>1</sup></b> |                       |                       |
| General Government Programs  | 8,659                 | 6,755                 |
| General Government Programs - Pension Liability                      | 2,595                 | 2,024                 |
| The Manitoba Hydro-Electric Board                                    | 11,046                | 8,617                 |
| Other Crown Organizations  | 2,397                 | 1,870                 |
| Health Facilities  | 1,314                 | 1,025                 |
| Other  | 17                    | 13                    |
| Capital Investments  | 4,089                 | 3,190                 |
| Subtotal <sup>2</sup>  | <u>30,117</u>         | <u>23,494</u>         |
| <b>Other Obligations</b>   |                       |                       |
| Pension Liability  | 7,264                 |                       |
| Pension Asset Fund   | <u>(5,266)</u>        |                       |
| Net Pension Liability  | 1,998                 |                       |
| Debt incurred for and repayable by The Manitoba Hydro-Electric Board | (10,698)              |                       |
| Education and Health Debt held by Government Enterprises             | 535                   |                       |
| Other Debt of Crown Organizations                                    | <u>266</u>            |                       |
| Subtotal   | <u>(7,899)</u>        |                       |
| <b>Total Provincial Borrowings, Guarantees and Obligations</b>       | <u>22,218</u>         |                       |
| <b>Adjustments to arrive at Summary Net Debt</b>                     |                       |                       |
| Guarantees   | (351)                 |                       |
| Net Financial Assets   | <u>(4,113)</u>        |                       |
| <b>Summary Net Debt<sup>3</sup></b>                                  | <u>17,754</u>         | <b>13,850</b>         |
| <b>Summary Net Debt as a percentage of GDP</b>                       | 28.7%                 |                       |

**Notes: Provincial Borrowings, Guarantees and Obligations**

1. Provincial borrowings, guarantees and obligations are net of sinking funds.
2. Provincial Borrowings and Guarantees are payable in Canadian and U.S. dollars. As at June 30, 2013, total provincial borrowings and guarantees were payable 94% in Canadian dollars and 6% in U.S. dollars. Of this total, General Government Program borrowing and Other Crown organizations borrowings was 100% payable in Canadian dollars. Manitoba Hydro borrowings were payable 83% in Canadian dollars (79% at March 31, 2013) and 17% in U.S. dollars (21% at March 31, 2013).

\* The per capita data for 2013/14 is based upon forecast population figures for July 1, 2013.

**ECONOMIC PERFORMANCE AND OUTLOOK**

Following two years of unfavorable weather conditions including severe flooding in 2011, agricultural production sharply rebounded in 2012, lifting real GDP growth to 2.7%. As a result, overall growth in Manitoba was second strongest among provinces. Most other industrial sectors in the province grew at a modest pace reflecting slower global demand in 2012.

The sustainability of the U.S. recovery, the recession in Europe and slow growth in Asia continue to overshadow the near term outlook for Canada. However, real GDP growth in Manitoba is expected to remain stable and progressively improve, reflecting its industrial diversity and balance.

A recent Manitoba Finance survey of economic forecasters projects that Manitoba's real GDP will expand 1.9% this year, slightly above the projected national increase of 1.7%. In 2014, Manitoba's real GDP is expected to increase by 2.3%, marginally below the projected national increase of 2.4%.

A review of major economic indicators shows modest improvements in economic developments in Manitoba through the first half of 2013.

The pace of employment growth in Manitoba has improved in 2013, increasing by 1.1% on year-to-date growth. This follows 0.9% growth in 2012 and 0.8% growth in 2011. Private sector employment is up 1.9% in 2013 while public sector employment is down 1.4%.

The unemployment rate has averaged 5.3% in 2013, third-lowest among provinces and below the national rate of 7.1%. Manitoba's youth unemployment rate has averaged 10.6% in 2013, down from 11.0% in 2012.

Average weekly earnings are up 1.0% so far in 2013. In the first six months of 2013, compensation of employees (labour income)

is up 3.2%, fifth among provinces and below the national increase of 3.9%.

Retail activity continues to expand at a modest rate, averaging 2.5% growth in the first half of 2013. National retail sales increased 1.6% over the same period. Manitoba's increase is fourth-highest among provinces. Automotive sales in the province are up 11.5% in 2013, the highest among provinces and above the 1.7% national increase.

Manitoba's economy has benefitted from a sharp increase in capital spending. For the past twenty-one years, private sector capital spending has consistently increased in all but one year, the steadiest growth among provinces. According to the Statistics Canada survey, Manitoba's total capital investment is expected to increase 8.5% in 2013, above the Canadian increase of 1.7%. Manitoba's private investment is projected to increase 6.3% and public investment to increase 12.9%.

Investment in residential construction is robust in Manitoba. During the first eight months of 2013, Manitoba urban area housing starts increased 10.8%, best among provinces and better than the 16.5% national decline. Single starts were up 3.1% and multiples starts are up 18.8%. Urban housing starts represent about two-thirds of all starts in the province.

Influenced by weak global demand, Manitoba's manufacturing sales have decreased 0.3% in 2013, better than the national decrease of 2.7% and ranked fifth among provinces. Sales of wood, machinery, food, and chemicals are leading growth while electrical appliances, fabricated metals, and printing lag growth.

An improvement in U.S. housing sector has helped buoy Manitoba exports. Through July 2013, Manitoba exports increased 2.0%

compared to a 4.8% contraction in 2012. Manitoba's U.S. exports increased 6.8% while non-U.S. exports were down 7.7%.

In 2012, Agricultural production rebounded to record 14.8% growth, following poor performance in 2011 caused by the impacts of the Assiniboine River flood. Wheat production increased 76.0%, and canola gained 20.3%. Production of corn for grain doubled, making it the third-largest crop in Manitoba in 2012. Soybean production spiked 83.5%, while production of barley more than doubled, up 136.6%, and oat harvests were 31.8% higher than in 2011.

Related to the rebound in crop production, Manitoba's farm cash receipts are up 13.4% in the first quarter of 2013, the highest among provinces. Crop receipts increased 29.0% with gains in oilseeds 36.8%, wheat 60.9% and specialty crops 117.4%. Livestock receipts were down 3.1% with strength in cattle offset by weakness in hogs; down 10.7%. Direct payments, which include insurance and various types of income supports, decreased 18.4%.

The Consumer Price Index has increased by 2.2% on a year-to-date basis in 2013, above the national increase of 0.9%. For 2013, Manitoba Finance's survey of economic

forecasts indicates CPI inflation will average about 2.0% in Manitoba, closely matching the year-to-date estimates.

Manitoba's population has experienced healthy growth over the past 10 years. Over the last decade, immigration levels to the province have risen considerably, net interprovincial out-migration has decreased and the number of births has increased. In 2012, estimated population increased by 1.2%.

As of April 1, 2013, Manitoba's population stood at 1,277,339 an increase of 14,593 persons and a 12 month increase of 1.2%.

For monthly updates and more details please see the Manitoba Economic Highlights and Statistics at:

<http://www.gov.mb.ca/finance/pdf/highlights.pdf>

&

<http://www.gov.mb.ca/finance/pdf/statistics.pdf>



**2013/14 Core Government Revenue by Source**  
**UNAUDITED**

**Appendix I**

| (\$000s)                                       | Year-to-Date to June 30 |                  |               | Full Year        |                   |
|--|-------------------------|------------------|---------------|------------------|-------------------|
|  | 2013/14                 |                  | 2012/13       | 2013/14          |                   |
|  | Actual                  | Estimated        |               | Variance         | Actual            |
| <b>Income taxes</b>                            |                         |                  |               |                  |                   |
| Individual Income Tax                          | 724,342                 | 724,342          | -             | 691,862          | 2,952,400         |
| Corporation Income Tax                         | 204,611                 | 204,611          | -             | 100,794          | 413,200           |
| <b>Subtotal: Income Taxes</b>                  | <b>928,953</b>          | <b>928,953</b>   | <b>-</b>      | <b>792,656</b>   | <b>3,365,600</b>  |
| <b>Other Taxes</b>                             |                         |                  |               |                  |                   |
| Corporations Taxes                             | 51,828                  | 51,828           | -             | 47,140           | 227,000           |
| Fuel Taxes                                     | 80,936                  | 77,166           | 3,770         | 71,863           | 312,100           |
| Land Transfer Tax                              | 21,949                  | 21,949           | -             | 18,339           | 74,000            |
| Levy for Health and Education                  | 101,780                 | 98,962           | 2,818         | 99,714           | 433,500           |
| Mining Tax                                     | 9,045                   | 9,045            | -             | 13,616           | 40,000            |
| Retail Sales Tax                               | 481,591                 | 452,232          | 29,359        | 428,896          | 2,047,200         |
| Tobacco Tax                                    | 76,552                  | 72,723           | 3,829         | 62,459           | 283,000           |
| Other Taxes                                    | 2,123                   | 610              | 1,513         | 2,509            | 16,173            |
| <b>Subtotal: Other Taxes</b>                   | <b>825,804</b>          | <b>784,515</b>   | <b>41,289</b> | <b>744,536</b>   | <b>3,432,973</b>  |
| <b>Fees and Other Revenue</b>                  |                         |                  |               |                  |                   |
| Fines and Costs and Other Legal                | 12,828                  | 12,828           | -             | 12,091           | 52,030            |
| Minerals and Petroleum                         | 4,188                   | 4,188            | -             | 7,676            | 29,074            |
| Automobile and Motor Carrier Licences and Fees | 38,769                  | 38,769           | -             | 38,248           | 140,530           |
| Parks: Forestry and Other Conservation         | 3,808                   | 3,808            | -             | 3,681            | 33,568            |
| Water Power Rentals                            | 29,763                  | 29,763           | -             | 16,913           | 107,700           |
| Service Fees and Other Miscellaneous Charges   | 21,112                  | 19,428           | 1,684         | 21,520           | 165,074           |
| Revenue Sharing from SOAs                      | 3,982                   | 3,982            | -             | 6,358            | 16,880            |
| <b>Subtotal: Fees and Other Revenue</b>        | <b>114,450</b>          | <b>112,766</b>   | <b>1,684</b>  | <b>106,487</b>   | <b>544,856</b>    |
| <b>Federal Transfers</b>                       |                         |                  |               |                  |                   |
| Equalization                                   | 448,078                 | 448,078          | -             | 417,667          | 1,799,228         |
| Canada Health Transfer (CHT)                   | 280,210                 | 280,210          | -             | 265,614          | 1,120,800         |
| Canada Social Transfer (CST)                   | 110,688                 | 110,688          | -             | 107,298          | 442,753           |
| Health Funds                                   | 2,265                   | 2,265            | -             | 2,262            | 9,062             |
| Infrastructure Renewal                         | -                       | -                | -             | -                | 22,100            |
| Shared Cost and Other Transfers                | 24,087                  | 24,782           | (695)         | 33,127           | 171,403           |
| <b>Subtotal: Federal Transfers</b>             | <b>865,328</b>          | <b>866,023</b>   | <b>(695)</b>  | <b>825,968</b>   | <b>3,565,346</b>  |
| <b>Net Income of Government</b>                |                         |                  |               |                  |                   |
| <b>Business Enterprises (GBEs)</b>             |                         |                  |               |                  |                   |
| Manitoba Liquor Control Commission             | 106,000                 | 106,000          | -             | 96,000           | 615,055           |
| Manitoba Lotteries Corporation                 | -                       | -                | -             | -                | -                 |
| <b>Subtotal: Net Income of GBEs</b>            | <b>106,000</b>          | <b>106,000</b>   | <b>-</b>      | <b>96,000</b>    | <b>615,055</b>    |
| <b>Total Revenue</b>                           | <b>2,840,535</b>        | <b>2,798,257</b> | <b>42,278</b> | <b>2,565,647</b> | <b>11,523,830</b> |

**2013/14 Core Government Expenditure by Sector/Department**  
**UNAUDITED**

**Appendix II**

| (\$000s)  | Year-to-Date to June 30 |                  |                 | Full Year           |                     |
|---|-------------------------|------------------|-----------------|---------------------|---------------------|
|   | 2013/14                 |                  | Variance        | 2012/13             | 2013/14             |
|   | Actual                  | Estimated        |                 | Actual <sup>1</sup> | Budget <sup>2</sup> |
| <b>Health and Healthy Living</b>                          |                         |                  |                 |                     |                     |
| Health  | 1,445,351               | 1,430,443        | 14,908          | 1,320,101           | 5,230,778           |
| Healthy Living, Seniors and Consumer Affairs              | 16,999                  | 17,965           | (966)           | 15,753              | 55,646              |
| <b>Total Health and Healthy Living</b>                    | <b>1,462,350</b>        | <b>1,448,408</b> | <b>13,942</b>   | <b>1,335,854</b>    | <b>5,286,424</b>    |
| <b>Education</b>  |                         |                  |                 |                     |                     |
| Advanced Education and Literacy                           | 131,819                 | 133,224          | (1,405)         | 133,297             | 707,662             |
| Education   | 545,115                 | 545,620          | (505)           | 533,754             | 1,681,786           |
| <b>Total Education</b>                                    | <b>676,934</b>          | <b>678,844</b>   | <b>(1,910)</b>  | <b>667,051</b>      | <b>2,389,448</b>    |
| <b>Family Services</b>                                    |                         |                  |                 |                     |                     |
| Children and Youth Opportunities                          | 13,404                  | 14,768           | (1,364)         | 12,993              | 48,888              |
| Family Services and Labour                                | 254,618                 | 267,999          | (13,381)        | 247,728             | 1,099,032           |
| <b>Total Family Services</b>                              | <b>268,022</b>          | <b>282,767</b>   | <b>(14,745)</b> | <b>260,721</b>      | <b>1,147,920</b>    |
| <b>Community, Economic and Resource Development</b>       |                         |                  |                 |                     |                     |
| Aboriginal and Northern Affairs                           | 9,109                   | 11,689           | (2,580)         | 10,514              | 34,249              |
| Agriculture, Food and Rural Initiatives                   | 14,527                  | 18,726           | (4,199)         | 16,815              | 215,051             |
| Conservation and Water Stewardship                        | 37,169                  | 43,338           | (6,169)         | 39,323              | 147,637             |
| Entrepreneurship, Training and Trade                      | 140,484                 | 152,961          | (12,477)        | 136,209             | 585,718             |
| Housing and Community Development                         | 26,446                  | 25,558           | 888             | 24,667              | 82,587              |
| Infrastructure and Transportation                         | 148,904                 | 147,583          | 1,321           | 156,197             | 639,203             |
| Innovation, Energy and Mines                              | 31,494                  | 33,785           | (2,291)         | 25,915              | 85,736              |
| Local Government  | 28,979                  | 38,604           | (9,625)         | 53,802              | 398,678             |
| <b>Total Community, Economic and Resource Development</b> | <b>437,112</b>          | <b>472,244</b>   | <b>(35,132)</b> | <b>463,442</b>      | <b>2,188,859</b>    |
| <b>Justice and Other Expenditures</b>                     |                         |                  |                 |                     |                     |
| Legislative Assembly                                      | 10,382                  | 10,896           | (514)           | 8,968               | 42,560              |
| Executive Council   | 1,651                   | 1,654            | (3)             | 1,622               | 3,622               |
| Civil Service Commission                                  | 5,074                   | 6,279            | (1,205)         | 5,182               | 20,200              |
| Culture, Heritage and Tourism                             | 20,836                  | 22,190           | (1,354)         | 17,303              | 60,987              |
| Employee Pensions and Other Costs                         | (2,619)                 | (3,634)          | 1,015           | (1,861)             | 18,288              |
| Finance   | 17,183                  | 20,114           | (2,931)         | 15,683              | 70,088              |
| Immigration and Multiculturalism                          | 4,856                   | 7,233            | (2,377)         | 7,477               | 21,001              |
| Justice   | 96,057                  | 104,021          | (7,964)         | 89,580              | 508,336             |
| Sport   | 3,003                   | 3,041            | (38)            | 3,009               | 11,770              |
| Enabling Appropriations                                   | 1,593                   | 2,454            | (861)           | 1,504               | 43,987              |
| Other Appropriations                                      | 18,569                  | 20,000           | (1,431)         | 39,504              | 55,393              |
| <b>Total Justice and Other Expenditures</b>               | <b>176,585</b>          | <b>194,248</b>   | <b>(17,663)</b> | <b>187,971</b>      | <b>856,232</b>      |
| <b>Debt Servicing Costs</b>                               | <b>(9,589)</b>          | <b>(9,923)</b>   | <b>334</b>      | <b>26,800</b>       | <b>230,000</b>      |
| <b>Total Expenditure</b>                                  | <b>3,011,414</b>        | <b>3,066,588</b> | <b>(55,174)</b> | <b>2,941,839</b>    | <b>12,098,883</b>   |
| <b>Subtract: Total Revenue Estimate (Appendix I)</b>      | <b>2,840,535</b>        | <b>2,798,257</b> | <b>42,278</b>   | <b>2,565,647</b>    | <b>11,523,830</b>   |
| In-Year Adjustment/Lapse                                  | -                       | -                | -               | -                   | (70,000)            |
| <b>NET INCOME (LOSS)</b>                                  | <b>(170,879)</b>        | <b>(268,331)</b> | <b>97,452</b>   | <b>(376,192)</b>    | <b>(505,053)</b>    |

1. For comparative purposes the 2012/13 Actual has been re-stated to reflect the 2013/14 appropriation structure.  
2. Budget figures are adjusted to include Enabling Appropriations.

**2013/14 Core Government Capital Investment  
UNAUDITED**

Appendix III

| (\$000s)  | Year-to-Date to June 30 |               |                 | Full Year     |                     |
|---|-------------------------|---------------|-----------------|---------------|---------------------|
|   | 2013/14                 |               | 2012/13         | 2013/14       |                     |
|   | Actual                  | Estimated     | Variance        | Actual        | Budget <sup>1</sup> |
| <b>General Assets</b>                                 |                         |               |                 |               |                     |
| Government Services Capital Projects                  | 9,779                   | 15,581        | (5,802)         | 15,581        | 112,000             |
| Transportation Equipment and Aircraft                 | 398                     | 1,600         | (1,202)         | 1,267         | 16,920              |
| Information Technology Projects                       | 704                     | 5,843         | (5,139)         | 354           | 23,744              |
| Other Equipment and Buildings                         | 402                     | 4,875         | (4,473)         | 15            | 19,582              |
|   | <u>11,283</u>           | <u>27,899</u> | <u>(16,616)</u> | <u>17,217</u> | <u>172,246</u>      |
| <b>Infrastructure Assets</b>                          |                         |               |                 |               |                     |
| Provincial Roads, Highways and Airport Infrastructure | 33,411                  | 34,000        | (589)           | 32,482        | 470,510             |
| Water Related Infrastructure                          | 7,272                   | 12,000        | (4,728)         | 10,447        | 37,100              |
| Parks, Cottage and Camping Projects                   | 520                     | 3,100         | (2,580)         | 1,107         | 15,839              |
|   | <u>41,203</u>           | <u>49,100</u> | <u>(7,897)</u>  | <u>44,036</u> | <u>523,449</u>      |
| <b>Total Capital Investment</b>                       | <u>52,486</u>           | <u>76,999</u> | <u>(24,513)</u> | <u>61,253</u> | <u>695,695</u>      |

1. Budget figures are adjusted to include Enabling Appropriations.