

**PROVINCE OF MANITOBA  
NOTES TO THE QUARTERLY FINANCIAL REPORT  
FOR THE NINE MONTHS - APRIL TO DECEMBER 1999**

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

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

The structure of the statements reflects the change in government organization announced in October, 1999. The comparative data provided for the 1998/99 fiscal year now reflects the current organizational structure of departments as well as changes in accounting policy related to tangible capital assets.

THIRD QUARTER - ACTUAL TO ESTIMATE

The third quarter deficit of \$378.0 million was \$43.8 million higher than the nine month projection of \$334.2 million. The estimate represents expenditure and revenue projections for the period and generally varies due to differences between the planned and actual flows of revenue and expenditure. The estimates of revenue and expenditure are for the period ending December 31, 1999 and are not necessarily representative of budget numbers or year end projections. For the nine month period total expenditures were \$3.5 million more than planned. Revenues were \$40.4 million lower than projected primarily due to revised individual income tax projections from the federal government (full year forecast \$35.5 million lower than budget).

THIRD QUARTER COMPARED TO PREVIOUS YEAR'S RESULTS

The third quarter deficit was \$322.5 million higher than the same period last year. The increase results from a \$285.7 million increase in expenditures primarily due to increased spending on health, justice, family services, emergency expenditures and agricultural assistance payments related to 1999 spring flooding. These increases reflect both 1999/2000 budgeted increases as well as the over-expenditures identified in the recent independent Financial Review by Deloitte and Touche LLP.

Other increases in Education and Training and Family Services and Housing are the result of expenditures related to the transfer of labour market programs from the federal government and income assistance programs from the City of Winnipeg. These increased expenditures from transfers of programming are offset respectively by increased federal revenue and through an offsetting reduction in grant funding to the City by the Department of Intergovernmental Affairs. The increase in expenditures for the Legislative Assembly reflects the costs incurred for the 1999 General Provincial Election.

In total, revenue has increased \$38.2 million from 1998/99 mainly as a result of increased taxation revenue and the receipt of the Federal Health Supplement, partially offset by lower equalization receipts for the nine-month period as compared to the same period in 1998/99. However, this decrease reflects timing only as on a full year basis equalization payments are projected to be higher than those received in 1998/99.

## YEAR END PROJECTION

As noted in the second quarter financial report, an independent financial review of the Province's fiscal position was requested by the new government. The Phase I report was released by Deloitte and Touche LLP on February 9, 2000. The report projected a deficit in the range of \$99.8 million to \$134.8 million for the 1999/2000 fiscal year. However, as a result of unanticipated federal revenue in 1999/2000, the Province is now projecting a surplus of \$4.8 million.

The current projected surplus of \$4.8 million represents a \$104.6 million improvement from the Phase I Independent Financial Review report by Deloitte and Touche LLP. The major changes are as follows.

- \$150.0 million projected increase in major federal revenues, primarily equalization, as a result of more up to date information released in conjunction with the federal budget that indicated Manitoba's entitlements have increased.
- \$63.6 million increase in expenditures related to the recently announced Canada/Manitoba Adjustment Program for agricultural producers (\$40 million Manitoba share of a \$100 million program) and further improvements to the Agricultural Income Disaster Assistance (AIDA) program.
- \$18.1 million net improvement due to a combination of lower expenditure projections across a number of departments and slight improvements in own-source revenue.

Compared to the initial 1999/2000 budget, the current projected surplus of \$4.8 million represents a \$16.6 million decrease from the budgeted surplus of \$21.4 million. The revised surplus is based on increased expenditures of \$452.5 million primarily related to the following.

- \$191.6 million projected increase in health expenditures, including additional funding requirements for health authority deficits, wage settlements including elimination of the reduced work week and establishing a provision against the investment in the health information network. These over-expenditures were identified in the Deloitte and Touche report.
- \$115.5 million increase in emergency expenditures for disaster assistance payments related to 1999 spring flooding, 1997 flood-related costs and higher than expected forest fire suppression costs. These over-expenditures were also identified in the Deloitte and Touche report.
- \$95.0 million increase in agriculture expenditures including the recently announced Canada/Manitoba Adjustment Program and increased expenditures under the AIDA program.

The expenditure forecast includes all of the expenditure requirements that were recently approved by special warrant.

These projected over-expenditures have been largely offset by increased revenues. In total, revenue is projected to increase by \$435.9 million. Federal estimates received in February indicated a \$143.7 million increase in current year equalization entitlements and a \$152.9 million increase for adjustments to prior years – an additional \$296.6 million. In addition, revised federal projections of Corporate Income Tax are \$98.6 million higher than budgeted as a result of higher than anticipated taxable income. As a consequence, current year entitlements increased \$63.9 million and adjustments for prior years increased \$34.7 million. Federal cost-shared revenue is also forecast to increase by \$62.9 million primarily as a result of an increase in Canada Health and Social Transfer entitlements, funding for the federal millennium scholarship fund and revenues associated with agricultural assistance and flood related programs. These increases are partially offset by a \$35.5 million projected decrease in individual income tax revenue primarily as a result of a decrease in the province's share of national Basic Federal Tax.

## COMPLIANCE WITH BALANCED BUDGET LEGISLATION

The Balanced Budget, Debt Repayment and Taxpayer Protection Act includes a requirement for the Minister of Finance to report on compliance with the Act in the government's Third Quarter Financial Report (for the period ending December 31). However, the Act also does not require a new government to achieve a balanced budget in the year of an election. Notwithstanding this provision, a \$4.8 million operating fund surplus is projected for 1999/2000.

## CHANGES IN ACCOUNTING POLICY

Effective April 1, 1999, the Province implemented an accounting change with respect to tangible capital assets in accordance with new accounting standards issued by the Canadian Institute of Chartered Accountants. The change in reporting results in the expenditure on tangible assets being amortized "on an expense basis" over the useful life of the asset. To reflect this change in accounting policy, expenditure now has two separate components, Part A - Operating Expenditure and Part B - Capital Investment.

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

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

In order to make year over year comparisons meaningful, the actual expenditures to December 31, 1998 have been adjusted to reflect the impact of the change in the capital asset accounting policy. This restatement affects the amounts for some departments as amortization for the period is added and amounts that would have been classified as Part B - Capital Investment were recorded as such. The restatement impacts on total expenditure as follows.

	<u>Part A</u>	<u>Part B</u>
	<u>Operating Expenditure</u>	<u>Capital Investment</u>
	(thousands of dollars)	
<b>Expenditure to December 31, 1998</b>	4,238,428	
<b>Restatement of Capital Expenditure</b>		
<b>Deduct:</b> To Part B - Capital Investment	(8,891)	8,891
<b>Add:</b> Amortization of Capital Assets	7,429	
<b>Adjusted Expenditure to December 31, 1998</b>	<u>4,236,966</u>	<u>8,891</u>

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

### DEBT RETIREMENT

The legislated 1999/2000 transfer to the Debt Retirement Fund of \$75 million was incorporated in the first quarter. This transfer, combined with money already set aside in the Debt Retirement Fund, was used to pay off \$305 million of Manitoba's debt in April. These transactions are shown in the statement entitled, "Debt Retirement Fund" on page 11 of this financial report.

### BORROWING ACTIVITY

The original estimate of borrowing requirements for the 1999/2000 fiscal year of \$2,356.1 million has increased to \$2,396.0 million to reflect an increase in savings bond redemptions, an increased allocation to the Provincial Sinking Fund, and a portion of Manitoba Hydro's requirements being deferred to the next fiscal year. This includes \$1,069.2 million for refinancing maturing debt issues with the balance required for self-sustaining programs, including Manitoba Hydro, and to fund an allocation to the Provincial Sinking Fund for the repurchase of foreign debt.

For the period April 1, 1999 to December 31, 1999, \$1,559.5 million was borrowed; \$250.7 million was raised through the issue of Builder Bonds Series 5 with the remainder raised in the public market.

**PROVINCE OF MANITOBA  
OPERATING FUND  
STATEMENT OF REVENUE AND EXPENDITURE  
FOR THE NINE MONTHS ENDED DECEMBER 31, 1999  
(with comparative figures for December 31, 1998)  
(UNAUDITED)**

1998/99 ACTUAL	1999/2000 ACTUAL	INCREASE (DECREASE)		1999/2000 ACTUAL	ESTIMATE*	VARIANCE
(thousands of dollars)				(thousands of dollars)		
			<b>Revenue</b>			
2,897,726	2,939,132	41,406	Own Source Revenue	2,939,132	2,983,031	(43,899)
1,283,681	1,280,444	(3,237)	Government of Canada	1,280,444	1,276,917	3,527
<u>4,181,407</u>	<u>4,219,576</u>	<u>38,169</u>	<b>Total Revenue</b>	<u>4,219,576</u>	<u>4,259,948</u>	<u>(40,372)</u>
			<b>Expenditure</b>			
3,740,368	4,109,645	369,277	Program Expenditure	4,109,645	4,118,301	(8,656)
496,598	412,970	(83,628)	Public Debt Costs	412,970	400,834	12,136
<u>4,236,966</u>	<u>4,522,615</u>	<u>285,649</u>	<b>Total Expenditure</b>	<u>4,522,615</u>	<u>4,519,135</u>	<u>3,480</u>
-	-	-	<b>Fiscal Stabilization Fund Transfer</b>	-	-	-
-	<u>75,000</u>	<u>75,000</u>	<b>Debt Retirement</b>	<u>75,000</u>	<u>75,000</u>	-
<u>(55,559)</u>	<u>(378,039)</u>	<u>322,480</u>	<b>Budgetary Deficit</b>	<u>(378,039)</u>	<u>(334,187)</u>	<u>43,852</u>

\* The estimates of revenue and expenditure are for the period ending December 31, 1999 and are not necessarily representative of budget numbers or year end projections.

**PROVINCE OF MANITOBA**  
**STATEMENT OF OPERATING FUND REVENUE**  
**FOR THE NINE MONTHS ENDED DECEMBER 31, 1999**  
**(with comparative figures for December 31, 1998)**  
**(UNAUDITED)**

1998/99 ACTUAL	1999/2000 ACTUAL	INCREASE (DECREASE)		1999/2000		
				ACTUAL	ESTIMATE*	VARIANCE
(thousands of dollars)			(thousands of dollars)			
<b>Taxation:</b>						
			Consumer and Corporate Affairs			
27,671	28,584	913	- Insurance Corporations Tax	28,584	27,323	1,261
9,495	10,063	568	- Land Transfer Tax	10,063	9,663	400
			Conservation			
1,688	1,945	257	- Oil and Natural Gas Tax	1,945	2,198	(253)
			Finance			
154,586	163,996	9,410	- Corporation Income Tax	163,996	168,898	(4,902)
1,159,117	1,167,778	8,661	- Individual Income Tax	1,167,778	1,200,687	(32,909)
90,956	103,205	12,249	- Corporation Capital Tax	103,205	98,634	4,571
105,034	105,824	790	- Gasoline Tax	105,824	106,604	(780)
147,463	146,794	(669)	- Levy for Health and Education	146,794	148,662	(1,868)
3,813	8,194	4,381	- Mining Tax	8,194	8,331	(137)
44,696	42,847	(1,849)	- Motive Fuel Tax	42,847	43,782	(935)
596,199	618,953	22,754	- Retail Sales Tax	618,953	623,925	(4,972)
31,342	32,569	1,227	- Revenue Act, 1964, Part I	32,569	31,766	803
77,013	76,091	(922)	- Tobacco Tax	76,091	77,886	(1,795)
2,373	2,486	113	- Environmental Protection Tax	2,486	1,612	874
103	103	-	- Other taxes	103	104	(1)
<u>2,451,549</u>	<u>2,509,432</u>	<u>57,883</u>		<u>2,509,432</u>	<u>2,550,075</u>	<u>(40,643)</u>
<b>Other Revenue:</b>						
58,227	53,003	(5,224)	Conservation	53,003	53,768	(765)
172,056	168,000	(4,056)	Revenue from Lotteries	168,000	167,000	1,000
112,200	109,200	(3,000)	Liquor Control Commission	109,200	109,000	200
103,694	99,497	(4,197)	Other Departments	99,497	103,188	(3,691)
<u>446,177</u>	<u>429,700</u>	<u>(16,477)</u>		<u>429,700</u>	<u>432,956</u>	<u>(3,256)</u>
<u>2,897,726</u>	<u>2,939,132</u>	<u>41,406</u>	<b>Total Own Source Revenue</b>	<u>2,939,132</u>	<u>2,983,031</u>	<u>(43,899)</u>
<b>Government of Canada:</b>						
888,021	727,964	(160,057)	Equalization	727,964	721,500	6,464
370,170	370,607	437	Canada Health and Social Transfer	370,607	374,722	(4,115)
-	130,595	130,595	Federal Health Supplement	130,595	130,595	-
			Other			
4,606	-	(4,606)	- Conservation	-	-	-
7,442	36,159	28,717	- Education and Training	36,159	34,740	1,419
4,240	2,239	(2,001)	- Family Services and Housing	2,239	2,212	27
138	2,588	2,450	- Labour	2,588	2,551	37
9,064	10,292	1,228	- Other Departments	10,292	10,597	(305)
<u>1,283,681</u>	<u>1,280,444</u>	<u>(3,237)</u>		<u>1,280,444</u>	<u>1,276,917</u>	<u>3,527</u>
<u>4,181,407</u>	<u>4,219,576</u>	<u>38,169</u>	<b>Total Revenue</b>	<u>4,219,576</u>	<u>4,259,948</u>	<u>(40,372)</u>

\* The estimates of revenue are for the period ending December 31, 1999 and are not necessarily representative of budget numbers or year end projections.

**PROVINCE OF MANITOBA  
OPERATING FUND  
STATEMENT OF PART A – OPERATING EXPENDITURE  
FOR THE NINE MONTHS ENDED DECEMBER 31, 1999  
(with comparative figures for December 31, 1998)  
(UNAUDITED)**

1998/99 ACTUAL	1999/2000 ACTUAL	INCREASE (DECREASE)		1999/2000		
				ACTUAL	ESTIMATE*	VARIANCE
(thousands of dollars)				(thousands of dollars)		
13,601	20,481	6,880	Legislative Assembly	20,481	21,923	(1,442)
2,477	3,075	598	Executive Council	3,075	3,305	(230)
13,383	14,925	1,542	Aboriginal and Northern Affairs	14,925	14,632	293
64,206	68,566	4,360	Agriculture and Food	68,566	69,924	(1,358)
2,428	4,730	2,302	Children and Youth Secretariat	4,730	4,600	130
3,022	3,346	324	Civil Service Commission	3,346	3,563	(217)
5,501	5,505	4	Community Support Programs	5,505	5,575	(70)
108,376	102,756	(5,620)	Conservation	102,756	109,166	(6,410)
6,909	6,464	(445)	Consumer and Corporate Affairs	6,464	6,744	(280)
39,294	42,685	3,391	Culture, Heritage and Tourism	42,685	42,566	119
774,189	822,869	48,680	Education and Training	822,869	825,444	(2,575)
33,658	33,858	200	Employee Benefits and Other Payments	33,858	38,958	(5,100)
495,282	540,554	45,272	Family Services and Housing	540,554	538,563	1,991
697,217	617,065	(80,152)	Finance	617,065	606,998	10,067
1,408,263	1,584,586	176,323	Health	1,584,586	1,553,964	30,622
251,821	234,473	(17,348)	Highways and Government Services	234,473	247,160	(12,687)
19,329	19,995	666	Industry, Trade and Mines	19,995	20,815	(820)
103,813	98,296	(5,517)	Intergovernmental Affairs	98,296	110,831	(12,535)
122,628	142,009	19,381	Justice	142,009	140,668	1,341
11,892	14,903	3,011	Labour	14,903	15,261	(358)
490	751	261	Seniors Directorate	751	728	23
12,784	7,869	(4,915)	Sport	7,869	7,874	(5)
634	842	208	Status of Women	842	910	(68)
1,355	1,091	(264)	Enabling Appropriations	1,091	1,624	(533)
44,414	130,921	86,507	Other Appropriations	130,921	127,339	3,582
<u>4,236,966</u>	<u>4,522,615</u>	<u>285,649</u>	<b>Total Expenditure</b>	<u>4,522,615</u>	<u>4,519,135</u>	<u>3,480</u>

\* The estimates of expenditure are for the period ending December 31, 1999 and are not necessarily representative of budget numbers or year end projections.

**PROVINCE OF MANITOBA  
STATEMENT OF PART B – CAPITAL INVESTMENT  
FOR THE NINE MONTHS ENDED DECEMBER 31, 1999  
(with comparative figures for December 31, 1998)  
(UNAUDITED)**

1998/99 ACTUAL	1999/2000 ACTUAL	INCREASE (DECREASE)		1999/2000		
(thousands of dollars)				ACTUAL	ESTIMATE*	VARIANCE
				(thousands of dollars)		
-	-	-	Agriculture and Food	-	73	(73)
711	85	(626)	Conservation	85	100	(15)
96	-	(96)	Education and Training	-	60	(60)
-	8,708	8,708	Family Services and Housing	8,708	8,710	(2)
-	6,178	6,178	Finance	6,178	8,961	(2,783)
14	762	748	Health	762	-	762
7,927	35,072	27,145	Highways and Government Services	35,072	37,758	(2,686)
143	-	(143)	Justice	-	-	-
-	20,059	20,059	Enabling Appropriations	20,059	18,714	1,345
<b>8,891</b>	<b>70,864</b>	<b>61,973</b>	<b>Total Capital Investment</b>	<b>70,864</b>	<b>74,376</b>	<b>(3,512)</b>

\* The estimates of capital investment are for the period ending December 31, 1999 and are not necessarily representative of budget numbers or year end projections.

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

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

Canadian Dollar Equivalent at Date of Issue Dec. 31/99	Canadian Dollar Equivalent at Date of Issue March 31/99	Increase (Decrease) Dec. 31/99 over March 31/99		Canadian Dollar Valuation (Note 1) Dec. 31/99	Canadian Dollar Valuation (Note 1) March 31/99	Increase (Decrease) Dec. 31/99 over March 31/99
(thousands of dollars)				(thousands of dollars)		
<b>Direct Debt Payable in:</b>						
10,818,088	10,202,979	615,109	Canadian Dollars	10,790,288	10,175,179	615,109
2,170,983	1,991,737	179,246	Issues Swapped to Canadian Dollars	2,292,183	2,045,427	246,756
3,956,348	4,311,071	(354,723)	U.S. Dollars	4,840,245	5,517,267	(677,022)
740,294	740,294	-	Issues Swapped to U.S. Dollars	841,941	880,384	(38,443)
<u>17,685,713</u>	<u>17,246,081</u>	<u>439,632</u>	<b>Total Direct Debt</b>	<u>18,764,657</u>	<u>18,618,257</u>	<u>146,400</u>
<b>Guaranteed Debt Payable in:</b>						
802,391	479,633	322,758	Canadian Dollars	802,391	479,632	322,759
-	296,709	(296,709)	U.S. Dollars	-	296,709	(296,709)
<u>802,391</u>	<u>776,342</u>	<u>26,049</u>	<b>Total Guaranteed Debt</b>	<u>802,391</u>	<u>776,341</u>	<u>26,050</u>
18,488,104	18,022,423	465,681	<b>Total Direct and Guaranteed Debt</b> (Note 2)	19,567,048	19,394,598	172,450
6,267,096	5,766,744	500,352	Less: Sinking Fund Investments	6,267,096	5,766,744	500,352
-	230,071	(230,071)	Less: Debt Retirement Fund	-	230,071	(230,071)
<u>12,221,008</u>	<u>12,025,608</u>	<u>195,400</u>	<b>Net Direct and Guaranteed Debt</b> (Note 3)	<u>13,299,952</u>	<u>13,397,783</u>	<u>(97,831)</u>

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

Note 2: Direct and Guaranteed Debt are payable in Canadian and U.S. dollars. As at December 31, 1999, total Gross Debt was payable 71% in Canadian dollars and 29% in U.S. dollars. Of this total, General Purpose Debt and Other Debt was payable 83% in Canadian dollars (78% at March 31, 1999) and 17% in U.S. dollars (22% at March 31, 1999) while Manitoba Hydro was payable 50% in Canadian dollars (43% at March 31, 1999) and 50% in U.S. dollars (57% at March 31, 1999)

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

	December 31, 1999		March 31, 1999	
	(in thousands)	(per capita) (Note 4)	(in thousands)	(per capita) (Note 4)
General Government Programs	6,647,672	5,807	6,773,800	5,933
The Manitoba Hydro-Electric Board	5,823,086	5,087	5,676,452	4,971
Other	829,194	724	947,531	830
	<u>13,299,952</u>	<u>11,618</u>	<u>13,397,783</u>	<u>11,734</u>

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

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

	<u>1999/2000 Projection</u>	<u>1998/99 Actual</u>
	(thousands of dollars)	
<b>Fund Balance, Beginning of Year</b>	<u>427,311</u>	<u>565,003</u>
<b>Revenue:</b>		
Interest Earnings	11,000	16,881
Transfer from Operating Fund Revenue	<u>4,794</u>	<u>31,130</u>
	<u>15,794</u>	<u>48,011</u>
<b>Expenditure:</b>		
1998/99 Actual Transfer	-	185,703
1999/2000 Budgeted Transfer	<u>184,702</u>	<u>-</u>
	<u>184,702</u>	<u>185,703</u>
<b>Fund Balance, End of Year</b>	<u><u>258,403</u></u>	<u><u>427,311</u></u>

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

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

**PROVINCE OF MANITOBA  
OPERATING FUND  
PROJECTION TO YEAR ENDING  
FOR THE YEAR ENDING MARCH 31, 2000  
(UNAUDITED)**

	<u>Revised Projection</u>	<u>Budget Projection</u>
	(thousands of dollars)	
<b>Revenue</b>	6,333,374	5,897,461
<b>Expenditure</b>	6,438,282	5,985,785
<b>Deficit Before Debt Retirement and Fiscal Stabilization Fund</b>	<u>(104,908)</u>	<u>(88,324)</u>
<b>Add: Fiscal Stabilization Fund</b>	184,702	184,702
<b>Less: Debt Retirement</b>	75,000	75,000
<b>Budgetary Surplus</b>	<u><u>4,794</u></u>	<u><u>21,378</u></u>