

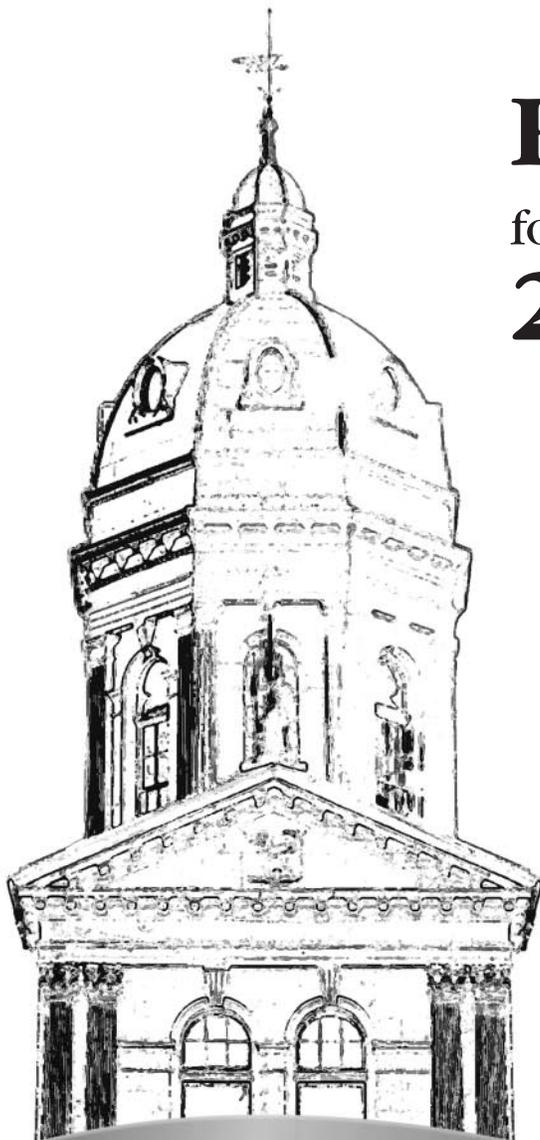


Public Accounts

for the fiscal year ended 31 March
2000

Volume 1 Financial Statements

Printed by
Authority of the Legislature
Fredericton, N.B.



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Authority of the Legislature
Fredericton, N.B.
ISSN 0382-1277

To Her Honour,

**The Honourable Marilyn Trenholme Counsell
Lieutenant-Governor of the Province of New Brunswick**

The undersigned has the honour to submit the Public Accounts of the Province of New Brunswick for the fiscal year ended 31 March 2000.

I am, Your Honour,

NORMAN BETTS
Minister of Finance

Fredericton, New Brunswick
7 December 2000

**The Honourable Norman Betts
Minister of Finance**

Sir:

The undersigned has the honour to present to you the Public Accounts of the Province of New Brunswick for the fiscal year ended 31 March 2000.

Respectfully submitted,

Mike Ferguson, C.A.
Comptroller

Fredericton, New Brunswick
7 December 2000

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INTRODUCTION VOLUME I

The Public Accounts of the Province of New Brunswick are presented in five volumes.

This volume contains the audited financial statements of the Provincial Reporting Entity as described in note 1 to the financial statements. They include a Statement of Financial Position, a Statement of Revenue and Expenditure, a Statement of Cash Flow and a Statement of Net Debt. This volume also contains the Auditor's Report, Statement of Responsibility and a variance analysis.

Volume II contains unaudited supplementary information to the Financial Statements presented in Volume I. It presents summary statements for revenue and expenditure as well as five-year comparative statements. This volume also contains detailed information on Supplementary Appropriations, Funded Debt and Capital Loans, statements of the General Sinking Fund, Securities Held, and revenue and expenditure by government department (this includes salary, travel, vendor, grant and contribution, and loan disbursement listings).

Volume III contains the financial statements of those corporations, boards and commissions which are accountable for the administration of their financial affairs and resources to the Government or the Legislature of the Province. The Government or Legislature also has the power to control these organizations either through ownership or through legislative provisions.

Volume IV contains the financial statements of various trust funds which the Province administers as Trustee.

Volume V contains salary listings of certain government organizations, including regional hospital corporations, New Brunswick Power Corporation, New Brunswick Liquor Corporation and the Workplace Health, Safety and Compensation Commission of New Brunswick. The salary listings are for employees who received earnings during the year ended 31 December 1999 in excess of \$40,000.



STATEMENT OF RESPONSIBILITY

The financial statements of the Province of New Brunswick are prepared each year by the Comptroller as required under section 12 of the Financial Administration Act. The financial statements include a Statement of Financial Position, a Statement of Revenue and Expenditure, a Statement of Cash Flow and a Statement of Net Debt.

Financial statement integrity and objectivity are the responsibility of the Government. To help fulfil this responsibility, systems of internal control have been established to provide reasonable assurance that transactions are properly authorized, executed and reported. The statements are prepared in accordance with the accounting policies described in Note 1 to the Financial Statements.

On behalf of the Government:

Honourable Norman Betts.
Minister of Finance

11 October 2000

**1999-2000
MAJOR VARIANCE ANALYSIS**

Explanations of major variances are described below, first for revenue, then for expenditure. In this analysis, comparisons are made between the actual results for 1999-2000 and either the 1999-2000 budget or actual results for 1998-99.

REVENUE

PROVINCIAL SOURCES

Taxes on Consumption

Taxes on consumption were \$33.7 million below budget. This was mainly due to Harmonized Sales Tax revenues being \$51.0 million lower than forecast at budget. Budgeted HST revenues included anticipated gains due to changes in the allocation formula that were not realized. Actual sales tax revenues reflect a net negative prior year adjustment with respect to the 1997 to 1999 period. Current estimates of HST entitlements suggest that New Brunswick was overpaid by the federal government for 1998 and 1999. Lower HST revenues were partially offset by higher Gasoline and Motive Fuels and Tobacco Tax revenues. Gasoline and Motive Fuels Tax revenues were \$12.5 million higher than budget due to a higher than anticipated volume of sales, spurred on by record construction activity. Tobacco revenues were \$4.8 million higher than budget partly due to a tax increase during the year.

Taxes on Income

Taxes on income were \$29.2 million above budget mainly due to higher than expected personal income tax revenues. The main factor contributing to increased personal income tax revenue was a large positive prior year adjustment of \$46 million in respect of the 1998 taxation year. This increase was partially offset by lower than expected corporate income tax revenues which reflect a negative prior year adjustment of \$23 million in respect of the 1998 taxation year.

Taxes on income were \$145.6 million higher than in 1998-99 mainly as a result of increased personal income tax revenues. Personal income tax revenue was higher by \$120.8 million due to a large positive prior year adjustment in 1999-2000 and due to growth in New Brunswick's share of basic federal tax.

Investment Income

Investment income was \$51.3 million higher than budget. This was mainly the result of N.B. Power net income being \$17.0 million, up from the budget forecast of nil and WHSCC net income being \$17.3 million up from budget estimates of \$500,000.

Investment income was \$450.6 million higher than in 1998-99, mainly due to the \$450.0 million write down on N.B. Power's assets which occurred in 1998-99.

Other Provincial Revenue

Other Provincial Revenues were \$70.7 million higher than estimated at budget mainly due to the consolidation of government organizations. Revenues from some government entities, such as Service New Brunswick and Forest Protection Limited, are not included in the province's budget estimates but appear in the year end financial statements when actual results are reported on a consolidated basis.

FEDERAL SOURCES

Canada Health and Social Transfer

The Canada Health and Social Transfer is \$45.2 million higher than budget and \$28.6 million higher than in 1998-99 as a result of increased funding announced in the 1999 Federal Budget. This increase includes \$28 million in funding from the CHST Supplement Trust for Health Care.

Fiscal Equalization Payments

Equalization revenues were \$117.1 million higher than budget primarily due to increases in revenues subject to equalization, and new population data used in the equalization formula.

Equalization revenues were \$119.3 million lower than 1998-99 primarily due to large positive prior year adjustments, which occurred in 1998-99. In 1999-2000 prior year adjustments were not significant. In year equalization payments increased from 1998-99 due to the widening of fiscal disparities as measured by the equalization formula.

Harmonization Transitional Payments

Harmonization Transitional Payments were \$115.0 million lower than budget and \$187.0 million lower than in 1998-99 as a result of the Province changing its method of accounting for the payment. The \$364.0 million in transitional funding is now being recognized as revenue when the Province has fully satisfied the conditions attached to the funding and there is no possibility that revenue recognized could become repayable to the Federal Government. Accordingly \$11.0 million was recognized in 1997-98, \$253.0 million in 1998-99 and \$66.0 million in 1999-2000.

EXPENDITURE

Education

The Teachers' Pension plan expense was \$58 million below budget, primarily because pension interest expense was less than anticipated, and amortization of experience gains was higher than anticipated.

Education expenditures were \$54.3 million higher than 1998-99 because of general increases and increased expenditures on capital projects.

Health

Health expenditures were \$130.8 million higher than budget and \$120.5 million higher than 1998-99 because of increased costs in programs such as hospital services, family and community services, medicare, ambulance services and prescription drugs.

Income Assistance

Income assistance expenditures were \$29.2 million lower than budget and \$18.5 million lower than 1998-99 mainly because of reduced caseloads in Transitional Assistance and Interim Assistance programs.

Justice

Justice expenditures were \$4.0 million higher than budget and \$4.4 million higher than 1998-99. This was primarily because of a one-time increase in the pension liability for Provincial Court Judges, which resulted from recommendations of the Judicial Remuneration Commission.

Economic Development

Economic Development expenditures were \$60.1 million higher than budget. Additional expenditures included: \$23 million in the Strategic Assistance Program; \$6.0 million for the province's commitment to assist with the closure and remediation of local dumps and landfills; \$9.8 million for Algonquin Properties Ltd, which was offset by \$7.6 million in revenue; and \$7.0 million for the Integrated Management Plan for Infectious Salmon Anemia, the majority of which was offset by revenue.

Economic Development expenditures were \$50.3 million lower than 1998-99 due to the 1998-99 purchase of 156,000 hectares of forestland previously owned by Georgia Pacific Corporation.

Transportation

Transportation expenditures were \$22.5 million higher than budget. Winter maintenance expenditures, which are dependent upon the length and severity of the winter, were \$9.1 million higher than budget. As well, expenditures were \$6.5 million higher due to increased activity in the Permanent Bridges and Highways programs and the Highway Improvement Program. Transportation expenditures also include \$2.1 million for flood damages that were partially offset by revenues received under the Disaster Financial Assistance Agreement.

Central Government

Central Government expenditures were \$7.1 million less than budget. Lower employee benefit expenses of \$25.2 million were partially offset by \$4.0 million for the cost of Provincial and Municipal By-elections.

The Central Government expenditures include \$17 million for Service New Brunswick that is offset by \$17 million in revenue.

Service of the Public Debt

Service of the Public Debt expenditures were \$5.7 million lower than 1998-99. Lower foreign exchange expense as a result of the stronger Canadian dollar in 1999-2000 outweighed higher interest expense.

Voluntary Early Retirement Window

The Voluntary Early Retirement Window expenditures of \$54.6 million were the result of 1336 plan members electing to retire by March 31, 2002.

UNUSUAL ITEM

Fredericton to Moncton Highway

The unusual item of \$903.8 million represents the total capital cost of the Fredericton-Moncton Highway Project including construction financing until the full traffic availability date of November 30, 2001.



AUDITOR'S REPORT

To the Legislative Assembly
Province of New Brunswick

I have audited the statement of financial position of the Province of New Brunswick as at 31 March 2000 and the statements of revenue and expenditure, cash flow and net debt for the year then ended. These financial statements are the responsibility of government. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by government, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Province as at 31 March 2000 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies set out in Note 1 to the financial statements. As required by section 10 of the Auditor General Act, I report that, in my opinion, these policies have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink, appearing to read 'Daryl C. Wilson'.

Daryl C. Wilson, FCA
Auditor General

4 August 2000

STATEMENT OF FINANCIAL POSITION
as at 31 March 2000

Schedule	(millions)	
	2000	1999
ASSETS		
1	\$ 241.4	\$ 331.3
2	347.7	348.8
3	24.6	26.2
4	89.1	65.1
	110.1	189.9
5	141.3	123.7
6	85.5	55.9
	680.9	216.5
Total Assets	<u>\$ 1,720.6</u>	<u>\$ 1,357.4</u>
LIABILITIES		
7	\$ 455.5	\$ 281.1
8	348.2	429.4
9	674.5	653.2
10	16.2	16.3
11	340.8	340.7
12	32.5	29.5
13	900.7	29.2
	1,276.9	989.2
Total Liabilities	<u>4,045.3</u>	<u>2,768.6</u>
	10,338.8	10,211.1
	(2,930.3)	(3,017.1)
	7,408.5	7,194.0
	(2,925.5)	(2,693.2)
	4,483.0	4,500.8
Total Liabilities	<u>8,528.3</u>	<u>7,269.4</u>
NET DEBT	<u>(6,807.7)</u>	<u>(5,912.0)</u>
	<u>\$ 1,720.6</u>	<u>\$ 1,357.4</u>

Contingent Liabilities - See Note 14

Commitments - See Note 15

The accompanying notes are an integral part of these Financial Statements.

Mike Ferguson, C.A.
Comptroller

STATEMENT OF REVENUE AND EXPENDITURE
for the fiscal year ended 31 March 2000

Schedule	(millions)			
	2000 Budget	2000 Actual	1999 Actual	
REVENUE				
Provincial Sources				
14	Taxes on Consumption	\$ 857.8	\$ 824.1	\$ 814.0
	Taxes on Property	268.5	258.1	236.8
15	Taxes on Income	1,016.0	1,045.2	899.6
16	Other Taxes	69.6	65.8	59.3
17	Licenses and Permits	95.5	105.4	94.6
18	Royalties	53.0	62.6	61.5
19	Investment Income	197.0	248.3	(202.3)
20	Other Provincial Revenue	127.5	198.2	174.6
	Sinking Fund Earnings	203.0	203.7	226.6
		2,887.9	3,011.4	2,364.7
Federal Sources				
	Canada Health and Social Transfer	324.0	369.2	340.6
	Fiscal Equalization Payments	1,035.0	1,152.1	1,271.4
	Harmonization Transitional Payment	181.0	66.0	253.0
	Other Unconditional Grants - Canada	1.9	1.8	1.7
21	Conditional Grants - Canada	227.4	237.7	254.9
		1,769.3	1,826.8	2,121.6
	Total Revenue (Note 3)	4,657.2	4,838.2	4,486.3
EXPENDITURE				
Social Services				
22	Education	988.3	933.5	879.2
23	Health	1,408.4	1,539.2	1,418.7
24	Income Assistance	382.6	353.4	371.9
25	Justice	110.7	114.7	110.3
		2,890.0	2,940.8	2,780.1
26	Economic Development	449.0	509.1	559.4
27	Municipal Affairs	129.7	133.3	127.7
28	Transportation	338.9	361.4	357.2
29	Central Government	227.3	220.2	209.8
	Service of the Public Debt (Note 12)	610.0	610.7	616.4
	Voluntary Early Retirement Window	---	54.6	---
	Expenditure Before Unusual Item (Notes 3 and 16)	4,644.9	4,830.1	4,650.6
	SURPLUS (DEFICIT) FROM OPERATIONS BEFORE UNUSUAL ITEM	12.3	8.1	(164.3)
UNUSUAL ITEM				
	Fredericton to Moncton Highway (Note 15(d))	---	903.8	---
	SURPLUS (DEFICIT) RESULTING IN (INCREASE) DECREASE IN NET DEBT FOR THE YEAR	\$ 12.3	\$ (895.7)	\$ (164.3)

The accompanying notes are an integral part of these Financial Statements.

STATEMENT OF CASH FLOW
for the fiscal year ended 31 March 2000

	(millions)	
	2000	1999
OPERATING ACTIVITIES		
(Increase) Decrease in Net Debt for the Year	\$ (895.7)	\$ (164.3)
Non Cash Items		
Amortization of Premiums, Discounts and Issue Expenses	7.6	6.7
Foreign Exchange Expense	27.2	47.0
Increase in Allowance for Doubtful Accounts	46.5	87.0
Sinking Fund Earnings	(203.7)	(226.6)
Actual Losses Due to Foreign Exchange	(14.8)	(22.6)
Decrease in Pension Liability (Note 13)	(176.7)	(289.9)
Increase (Decrease) in Deferred Revenue	0.1	(245.7)
Capital Asset Acquisitions Charged to Operations	1,160.3	286.2
Proceeds from Disposal of Capital Assets	(3.0)	(4.0)
(Increase) Decrease in Working Capital (Note 18)	(13.1)	60.9
Net Cash From (Used in) Operating Activities	(65.3)	(465.3)
 INVESTING ACTIVITIES		
Purchase of Capital Assets	(1,160.3)	(286.2)
Proceeds from Disposal of Capital Assets	3.0	4.0
(Increase) Decrease in Investments, Loans and Advances	(55.8)	413.9
Net Cash From (Used in) Investing Activities	(1,213.1)	131.7
 FINANCING ACTIVITIES		
Proceeds from Issuance of Funded Debt	576.1	794.8
Received from Sinking Fund for Redemption of Debentures and Payment of Exchange	78.8	77.5
Increase (Decrease) in Obligations under Capital Leases	871.5	(0.5)
Sinking Fund Instalments	(107.4)	(104.2)
Serial Redemptions and Capital Loan Repayments	(1.2)	(2.4)
Funded Debt Matured	(313.8)	(418.3)
Net Cash From Financing Activities	1,104.0	346.9
 INCREASE (DECREASE) IN CASH POSITION DURING YEAR	 (174.4)	 13.3
CASH POSITION - BEGINNING OF YEAR	(281.1)	(294.4)
CASH POSITION - END OF YEAR	\$ (455.5)	\$ (281.1)
 CASH REPRESENTED BY		
Bank Advances and Short Term Borrowing	\$ (455.5)	\$ (281.1)

The accompanying notes are an integral part of these Financial Statements.

STATEMENT OF NET DEBT
for the fiscal year ended 31 March 2000

	(millions)	
	2000	1999
NET DEBT - BEGINNING OF YEAR	\$ (5,912.0)	\$ (5,747.7)
SURPLUS (DEFICIT) RESULTING IN (INCREASE) DECREASE IN NET DEBT FOR THE YEAR	<u>(895.7)</u>	<u>(164.3)</u>
NET DEBT - END OF YEAR	<u><u>\$ (6,807.7)</u></u>	<u><u>\$ (5,912.0)</u></u>

The accompanying notes are an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Provincial Reporting Entity

In these financial statements, the Province is defined as the Provincial Reporting Entity. The Provincial Reporting Entity is comprised of certain organizations that are accountable to the Legislature. These accountable organizations are the Consolidated Fund, the General Sinking Fund and certain agencies, commissions and corporations. The agencies, commissions and corporations included in this definition are identified below.

Transactions and balances of organizations are included in these financial statements through one of the following accounting methods:

Consolidation method - This method combines the accounts of distinct organizations. It requires uniform accounting policies for the organizations. Inter-organizational balances and transactions are eliminated under this method. This method reports the organizations as if they were one organization.

Modified equity method - This method is used for government enterprises. Government enterprises are defined in note 9 to these financial statements. The modified equity method reports a government enterprise's net assets as an investment in the Province's Statement of Financial Position. The net income of the government enterprise is reported as investment income in the Province's Statement of Revenue and Expenditure. Inter-organizational transactions and balances are not eliminated. All gains or losses arising from inter-organizational transactions between government enterprises and other government organizations are eliminated. The accounting policies of government enterprises are not adjusted to conform with those of other government organizations.

Equity method - This method of accounting is used for Hospital Corporations. The accounting policies of the Hospital Corporations are adjusted to comply with the policies of the Province. The annual deficits or surpluses of the Hospital Corporations are recorded as an expenditure or revenue. The total net accumulated deficits or surpluses of the Hospital Corporations are recorded as a liability or asset. This method results in the same net position that would result from the consolidation method.

Transaction method - This method records only transactions between the Province and the other organizations.

Organizations that have been included in the Provincial Reporting Entity through consolidation are:

- Algonquin Properties Limited;
- Arts Development Trust Fund;
- Environmental Trust Fund;
- Forest Protection Limited;
- Group Insurance Trust Fund;
- Kingsbrae Horticultural Garden Inc.;
- N.B. Agriexport Inc.;
- New Brunswick Credit Union Deposit Insurance Corporation;
- New Brunswick Highway Corporation;
- New Brunswick Housing Corporation;
- New Brunswick Investment Management Corporation;
- Regional Development Corporation;
- Service New Brunswick;
- Sport Development Trust Fund.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Government enterprises that have been included in these financial statements through modified equity accounting are:

Algonquin Golf Limited;
Lotteries Commission of New Brunswick;
New Brunswick Liquor Corporation;
New Brunswick Municipal Finance Corporation;
New Brunswick Power Corporation;
Workplace Health, Safety and Compensation Commission.

New Brunswick Hospital Corporations have been included in these financial statements using the equity method of accounting.

Certain organizations that are accountable to the Legislature have been included through the transaction method. The transaction method was used because the appropriate methods would not produce a materially different result. The determination of which entities could be excluded because of materiality was made by Board of Management. The organizations included through the transaction method are:

Advisory Council on the Status of Women;
Board of Commissioners of Public Utilities of New Brunswick;
Fundy Linen Services Inc.;
Kings Landing Corporation;
New Brunswick Crop Insurance Commission;
New Brunswick Museum;
New Brunswick Research and Productivity Council;
Premier's Council on the Status of Disabled Persons;
Provincial Holdings Ltd.;
Strait Crossing Finance Inc.;
Youth Council of New Brunswick.

b) Significant Accounting Policies

Accrual Accounting

Expenditures are recorded for all goods and services received during the fiscal year.

Revenue from Canada under the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act, 1977, and the Canada-New Brunswick Tax Collection Agreement is accrued based on estimates provided by Canada. These estimates are subject to adjustment in future years. Such adjustments are included in revenue when Canada informs the Province of the revisions. The most recent revision included in these financial statements is dated 12 June 2000.

All other revenues and recoveries are recorded on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Debt Charges

Interest and other debt service charges are reported in the Statement of Revenue and Expenditure as Service of the Public Debt except as described below:

Because government enterprises are included in the Provincial Reporting Entity through modified equity accounting, the cost of servicing their debt is not included in the Service of the Public Debt expenditure. The cost of servicing the debt of government enterprises is an expenditure included in the calculation of their net profit or loss for the year.

Interest costs imputed on the Province's Accrued Pension Liability are recorded as part of pension expense, which is included in various expenditure functions.

Interest earned on the assets of the General Sinking Fund and on other provincial assets is reported as revenue.

Note 12 to these financial statements reports the components of the Service of the Public Debt Expenditure function and total debt charges.

Government Transfers

Government transfers are transfers of money, such as grants, from a government to an individual, an organization or another government for which the government making the transfer does not receive any goods or services directly in return.

Government transfers are recognized in the Province's financial statements as expenditures or revenues in the period that the events underlying the transfer occurred. Liabilities have been established for any transfers due at 31 March 2000 for which the intended recipients have met the eligibility criteria. Receivables have been established for transfers to which the Province is entitled under governing legislation, regulation or agreement.

During the year ended 31 March 2000, a supplement to the Canada Health and Social Transfer of \$85.8 million was received from Canada. This is being recognized as revenue on a straight-line basis over three years.

Physical Assets

The cost of acquiring physical assets is expensed in the year of acquisition. The Statement of Financial Position does not report an amount for these assets.

Short Term Investments

Short term investments are recorded at cost.

Allowances

Allowances have been established for accounts receivable, loan guarantees and other possible losses. These allowances are disclosed in the schedules to the financial statements. The increase in these allowances charged to operations for the fiscal year ended 31 March 2000 was \$46.5 million (\$87.0 million 1999).

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Concessionary Loans

There are two situations where the Province charges loan disbursements entirely as expenditures. These are:

Loan agreements which commit the Province to provide future grants to the debtor to be used to repay the loan.

Loan agreements which include forgiveness provisions if the forgiveness is considered likely.

In both these situations, the loan is charged to expenditure when it is disbursed.

Loans that are significantly concessionary because they earn a low rate of return are originally recorded as assets at the net present value of the expected future cash flows. The net present value is calculated using the Province's borrowing rate at the time the loan was issued. The difference between the nominal value of the loan and its net present value is recorded as an expenditure.

Inventories

Inventories are recorded at the lower of cost or net realizable value. Inventories include supplies for use, and goods and properties held for resale. Properties held for resale include land and fixtures acquired or constructed for the purpose of sale. Properties held for resale also include properties acquired through foreclosure. Properties acquired through foreclosure which have not been disposed of within two fiscal year ends of repossession are removed from inventory and are recorded as expenditure.

Deferred Revenue

Amounts received or recorded as receivable but not earned by the end of the fiscal year are recorded as deferred revenue.

Deposits Held in Trust

Any funds remitted to the Province and held in trust for specified persons are included in both the financial assets and liabilities of the Province. Legally established trust funds which the Province administers but does not control are not included as Provincial assets or liabilities. Note 17 to these financial statements discloses the equity balances of the trust funds administered by the Province.

Borrowing on Behalf of New Brunswick Power Corporation

The Province, as represented by the Consolidated Fund, has issued long term debt securities on behalf of New Brunswick Power Corporation in exchange for debentures with like terms and conditions.

The New Brunswick Power Corporation debentures received by the Province are reported in the Statement of Financial Position as a reduction of Funded Debt. This financing arrangement was used to obtain more favourable debt servicing costs. The transactions involving these securities, including the debt servicing costs, are not part of the budget plan of the Province's Consolidated Fund.

Foreign Currency Translation

The Province's assets, liabilities and contingent liabilities denominated in foreign currencies are translated to Canadian dollars at the year end rates of exchange, except where such items have been hedged or are subject to interest rate and currency swap agreements. In such cases, the rates established by the hedge or the agreements are used in the translation. Revenue and expenditure items are translated at the rates of exchange in effect at the respective transaction dates.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Exchange gains and losses are included in the Statement of Revenue and Expenditure except for the unrealized exchange gains and losses arising on the translation of long term items, which are deferred and amortized on a straight line basis over the remaining life of the related assets or liabilities.

Leases

Long term leases, under which the Province, as lessee, assumes substantially all the benefits and risks of ownership of leased property, are classified as capital leases although certain minimum dollar thresholds are in place for practical reasons. The present value of a capital lease is accounted for as an expenditure and an obligation at the inception of the lease.

All leases under which the Province does not assume substantially all the benefits and risks of ownership related to the leased property are classified as operating leases. Each rental payment required by an operating lease is recorded as an expenditure when it is due.

Measurement Uncertainty

Measurement uncertainty is uncertainty in the determination of the amount at which an item is recognized in financial statements. This uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount. Many items in these financial statements have been measured using estimates. Those estimates have been based on assumptions that reflect economic conditions.

Some examples of where measurement uncertainty exists are the establishment of allowances for doubtful accounts and the determination of pension expense.

NOTE 2 BUDGET

The budget amounts included in these financial statements are the amounts published in the Main Estimates, adjusted for transfers from the Supplementary Funding Provision Program and elimination of inter-account transactions. The Supplementary Funding Provision Program is an appropriation which provides funding to other programs for costs associated with contract settlements and other requirements not budgeted in a specific program.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

NOTE 3 BUDGET AND ACTUAL RESULTS BY BUDGETARY ACCOUNT

The Province budgets revenue and expenditure in five budgetary accounts: Ordinary, Capital, Special Purpose, Sinking Fund Earnings and Special Operating Agencies. Descriptions of each budgetary account as well as budget and actual results for each account are reported below.

a) Ordinary Account

Ordinary revenue includes most revenue raised through taxation, fees, fines, licenses, permits and payments from the federal government under various arrangements.

Ordinary expenditure includes the operating costs of government programs. These costs are considered to be consumed in the year of occurrence and are costs which are not funded from Special Purpose revenue or by Special Operating Agency authority.

<u>Ordinary Revenue by Department</u>	(millions)		
	<u>2000</u> <u>Budget</u>	<u>2000</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>
Agriculture and Rural Development	\$ 2.9	\$ 3.4	\$ 3.1
Economic Development, Tourism and Culture	5.7	10.5	6.8
Education	14.7	20.8	19.6
Environment	1.2	1.2	1.3
Finance	3,819.3	3,849.7	3,945.1
Fisheries and Aquaculture	4.1	11.4	17.5
General Government	---	0.1	---
Health and Community Services	29.1	32.2	31.3
Human Resources Development and Housing	64.0	65.0	68.1
Intergovernmental and Aboriginal Affairs	---	0.1	---
Justice	37.0	39.0	35.4
Labour	94.9	89.3	86.4
Maritime Provinces Higher Education Commission	1.0	1.2	1.3
Municipalities	1.5	4.6	6.4
Natural Resources and Energy	65.8	82.6	77.0
Office of the Comptroller	0.1	0.1	0.1
Other Agencies	94.4	135.1	(311.1)
Regional Development Corporation	17.2	13.5	13.6
Solicitor General	10.1	9.5	9.6
Supply and Services	1.1	1.7	1.6
Transportation	<u>77.0</u>	<u>82.3</u>	<u>77.3</u>
Total Ordinary Revenue	<u>4,341.1</u>	<u>4,453.3</u>	<u>4,090.4</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

<u>Ordinary Expenditure by Department</u>	(millions)		
	<u>2000 Budget</u>	<u>2000 Actual</u>	<u>1999 Actual</u>
Agriculture and Rural Development	\$ 24.7	\$ 27.1	\$ 23.3
Economic Development, Tourism and Culture	53.4	49.6	55.3
Education	763.8	757.9	728.4
Environment	9.9	10.1	10.1
Executive Council	3.6	3.2	3.9
Finance	18.5	16.9	17.6
Fisheries and Aquaculture	11.0	18.7	11.4
General Government	134.4	146.1	100.5
Health and Community Services	1,389.5	1,514.4	1,387.8
Human Resources Development and Housing	374.4	350.7	369.4
Intergovernmental and Aboriginal Affairs	2.7	2.6	2.0
Justice	33.0	33.5	30.1
Labour	130.9	124.2	120.7
Legislative Assembly	12.2	16.6	12.5
Maritime Provinces Higher Education Commission	160.5	160.9	159.4
Municipalities	127.1	131.0	126.7
Natural Resources and Energy	74.7	79.6	75.2
Office of the Comptroller	4.9	4.8	5.0
Office of the Premier	1.6	1.6	1.2
Regional Development Corporation	56.0	52.3	59.1
Service of the Public Debt	610.0	610.7	616.4
Solicitor General	72.3	73.0	75.5
Supply and Services	81.9	81.5	80.3
Transportation	<u>132.2</u>	<u>142.1</u>	<u>143.0</u>
Total Ordinary Expenditure	<u>4,283.2</u>	<u>4,409.1</u>	<u>4,214.8</u>
Surplus (Deficit) on Ordinary Account	<u>\$ 57.9</u>	<u>\$ 44.2</u>	<u>\$ (124.4)</u>

b) Capital Account

Capital recoveries include entitlements and contributions from Canada for the construction, acquisition or major renovation of physical assets and proceeds received on disposal of government properties.

Expenditures are incurred to acquire or construct physical assets with expected lives of greater than one year. Physical assets include land, buildings, highways, bridges, wharves, ferries, vehicles and equipment. Certain minimum dollar thresholds have been established for practical reasons.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

		(millions)	
	2000	2000	1999
<u>Capital Recoveries by Department</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Agriculture and Rural Development	\$ 1.4	\$ 1.9	\$ 2.1
Economic Development, Tourism and Culture	---	---	0.4
Health and Community Services	---	---	0.9
Human Resources Development and Housing	---	---	0.1
Municipalities	---	0.4	1.1
Natural Resources and Energy	0.1	0.4	---
Regional Development Corporation	3.2	6.6	7.1
Transportation	<u>33.9</u>	<u>33.7</u>	<u>30.2</u>
Total Capital Recoveries	<u>38.6</u>	<u>43.0</u>	<u>41.9</u>
<u>Capital Expenditure by Department</u>			
Agriculture and Rural Development	0.3	0.2	0.3
Economic Development, Tourism and Culture	3.3	3.4	2.5
Education	1.0	0.9	1.0
Environment	7.4	13.2	11.5
General Government	1.7	---	---
Health and Community Services	9.4	9.4	5.2
Human Resources Development and Housing	0.9	0.6	0.9
Municipalities	1.7	1.6	0.1
Natural Resources and Energy	---	---	62.5
Regional Development Corporation	7.7	8.2	10.9
Supply and Services	51.2	52.3	31.0
Transportation	<u>198.9</u>	<u>206.6</u>	<u>199.3</u>
Total Capital Expenditure	<u>283.5</u>	<u>296.4</u>	<u>325.2</u>
Net Capital Expenditure	<u>\$ 244.9</u>	<u>\$ 253.4</u>	<u>\$ 283.3</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

c) Special Purpose Account

Revenue is designated by donor request or legislation to be used for specific purposes. Expenditures are made for those designated purposes.

<u>Special Purpose Revenue by Department</u>	2000	(millions)	1999
	<u>Budget</u>	<u>2000</u>	<u>Actual</u>
		<u>Actual</u>	<u>Actual</u>
Agriculture and Rural Development	\$ ---	\$ 0.1	\$ ---
Economic Development, Tourism and Culture	4.7	2.8	4.1
Education	5.3	7.5	8.5
Environment	14.6	15.3	14.9
Finance	0.5	0.5	1.1
Health and Community Services	1.9	2.2	2.1
Human Resources Development and Housing	4.1	6.2	5.2
Justice	0.4	0.4	0.5
Labour	0.6	1.6	3.1
Municipalities	0.7	0.5	0.5
Natural Resources and Energy	1.2	1.4	1.2
Solicitor General	1.9	1.9	2.0
Supply and Services	0.5	1.9	3.8
Transportation	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
Total Special Purpose Revenue	<u>36.9</u>	<u>42.8</u>	<u>47.5</u>
 <u>Special Purpose Expenditure by Department</u>			
Agriculture and Rural Development	---	0.1	---
Economic Development, Tourism and Culture	7.3	2.5	6.0
Education	5.5	7.7	6.0
Environment	14.6	15.7	14.5
Finance	0.1	0.1	0.1
Health and Community Services	1.5	2.4	2.6
Human Resources Development and Housing	0.8	0.8	0.2
Justice	0.4	0.4	0.4
Labour	0.6	1.1	2.4
Municipalities	0.7	0.5	0.5
Natural Resources and Energy	1.1	1.0	0.7
Solicitor General	2.0	1.8	2.0
Supply and Services	1.7	1.0	3.0
Transportation	<u>0.5</u>	<u>0.4</u>	<u>0.5</u>
Total Special Purpose Expenditure	<u>36.8</u>	<u>35.5</u>	<u>38.9</u>
Surplus on Special Purpose Account	<u>\$ 0.1</u>	<u>\$ 7.3</u>	<u>\$ 8.6</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

d) Sinking Fund Earnings

Sinking Fund Earnings are the earnings of the Province's General Sinking Fund, reduced by the amount recognized by the New Brunswick Power Corporation. During the fiscal year ended 31 March 2000, total earnings were \$223.5 million (\$246.7 million in 1999), of which \$19.8 million was recognized by the New Brunswick Power Corporation (\$20.1 million in 1999).

	2000	(millions)	
	<u>Budget</u>	2000	1999
		<u>Actual</u>	<u>Actual</u>
Sinking Fund Earnings	\$ 203.0	\$ 203.7	\$ 226.6

e) Special Operating Agencies

Revenue may be generated by the Special Operating Agencies or from transfers from other budgetary accounts.

Expenditures are incurred by the agencies in delivering the programs they offer and may be of a capital or operating nature.

The Mactaquac Golf Course Special Operating Agency is responsible for the administration of the golf course at the Mactaquac Provincial Park.

The New Brunswick Community College Special Operating Agency was created to administer the Province's community colleges.

The New Brunswick Safety Code Services Special Operating Agency is responsible for the enforcement of safety regulations affecting electrical, plumbing, elevating, boiler and pressure vessels, and gas installations.

The Regional Development Special Operating Agency exists to administer the projects under the Canada - New Brunswick Infrastructure Agreements, assist in administering the Rural Experience program and assist in administering several other grant programs of government.

The Vehicle Management Special Operating Agency exists to maintain the provincial fleet of vehicles and heavy equipment.

	2000	(millions)	
	<u>Budget</u>	2000	1999
		<u>Actual</u>	<u>Actual</u>
<u>Revenue by Special Operating Agency</u>			
Mactaquac Golf Course	\$ ---	\$ 0.8	\$ ---
New Brunswick Community College	74.6	87.6	89.3
New Brunswick Safety Code Services	3.3	3.8	4.0
Regional Development Corporation	2.7	20.3	29.8
Vehicle Management	<u>64.5</u>	<u>63.4</u>	<u>61.5</u>
Total Special Operating Agency Revenue	<u>145.1</u>	<u>175.9</u>	<u>184.6</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Expenditure by Special Operating Agency

Mactaquac Golf Course	\$ ---	\$ 0.6	\$ ---
New Brunswick Community College	74.5	84.9	82.9
New Brunswick Safety Code Services	3.3	3.3	3.9
Regional Development Corporation	6.3	23.5	31.2
Vehicle Management	<u>64.9</u>	<u>64.4</u>	<u>61.3</u>
Total Special Operating Agency Expenditure	<u>149.0</u>	<u>176.7</u>	<u>179.3</u>
Surplus (Deficit) on Special Operating Agency Account	<u>\$ (3.9)</u>	<u>\$ (0.8)</u>	<u>\$ 5.3</u>

f) Adjustments on Consolidation

Some of the entities included in these financial statements were not included in the Province's budget on a consolidated basis. The previous tables report actual results, before consolidation adjustments, as compared to budget. Adjustments to the actual results reported in the previous tables are required to reflect these entities on a consolidated basis.

The adjustments required are as follow:

	(millions)	
	<u>2000</u>	<u>1999</u>
	<u>Actual</u>	<u>Actual</u>
<u>Revenue Consolidation Adjustments</u>		
Algonquin Properties Limited	\$ 7.6	\$ 6.8
Forest Protection Limited	20.7	---
Kingsbrae Horticultural Garden Inc.	0.6	0.8
N.B. Agriexport Inc.	0.4	0.3
New Brunswick Investment Management Corporation	4.6	3.6
New Brunswick Highway Corporation	916.9	13.4
Service New Brunswick	<u>40.0</u>	<u>38.6</u>
	<u>990.8</u>	<u>63.5</u>
<u>Expenditure Consolidation Adjustments</u>		
Algonquin Properties Limited	7.9	6.1
Forest Protection Limited	11.7	---
Kingsbrae Horticultural Garden Inc.	0.6	0.8
N.B. Agriexport Inc.	0.3	0.2
New Brunswick Investment Management Corporation	4.6	3.7
New Brunswick Highway Corporation	916.9	13.4
Service New Brunswick	<u>41.7</u>	<u>36.4</u>
	<u>983.7</u>	<u>60.6</u>
Net Revenue on Consolidation	<u>\$ 7.1</u>	<u>\$ 2.9</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

g) Reconciliation to Statement of Revenue and Expenditure

The following table reconciles the total actual results by budgetary account to the totals reported in the Statement of Revenue and Expenditure of the Province which is prepared on a consolidated basis. In combining the various budgetary accounts, inter-account transactions have been eliminated and the revenues approved as reductions from expenditure appropriations have been added back to expenditure and reflected as revenue.

	(millions)			
	2000		1999	
	<u>Revenue</u>	<u>Expenditure</u>	<u>Revenue</u>	<u>Expenditure</u>
Ordinary Account	\$ 4,453.3	\$ 4,409.1	\$ 4,090.4	\$ 4,214.8
Capital Account	43.0	296.4	41.9	325.2
Special Purpose Account	42.8	35.5	47.5	38.9
Sinking Fund Earnings	203.7	---	226.6	---
Special Operating Agencies	175.9	176.7	184.6	179.3
Revenues Netted Against Expenditure	14.0	14.0	13.2	13.2
Elimination of Inter-account Transactions	(1,085.3)	(1,085.3)	(181.4)	(181.4)
Adjustments on Consolidation	<u>990.8</u>	<u>983.7</u>	<u>63.5</u>	<u>60.6</u>
	<u>\$ 4,838.2</u>	<u>\$ 4,830.1</u>	<u>\$ 4,486.3</u>	<u>\$ 4,650.6</u>
Unusual Item				
Fredericton to Moncton Highway	<u>\$ ---</u>	<u>\$ 903.8</u>	<u>\$ ---</u>	<u>\$ ---</u>

NOTE 4 BALANCING OF EXPENDITURE AND REVENUE

The Province's Balanced Budget Act requires that total expenditures not exceed total revenues for the period commencing 1 April 1996 and ending 31 March 2000.

That Act stipulates that any change made within the last fifteen months, or after completion of the period from 1 April 1996 to 31 March 2000 in relation to the official estimates by the Government of Canada for provincial entitlements under the Federal-Provincial Fiscal Arrangements and Federal Post-Secondary Education and Health Contributions Act or the Canada-New Brunswick Tax Collection Agreement, shall not be taken into account.

The cumulative difference for the four year period ending 31 March 2000 between revenue and expenditure is as follows:

	(millions)			
	<u>1997</u> <u>Actual</u>	<u>1998</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>
Revenue	\$4,470.5	\$4,459.4	\$4,486.3	\$4,838.2
Less: Changes in Provincial Entitlements from Canada				
(Section 6(1)) after December 1999	---	---	(176.2)	(28.1)
(Section 6(2)) for 1999-2000	---	---	---	(159.3)
Adjusted Revenue	4,470.5	4,459.4	4,310.1	4,650.8
Expenditure before Unusual Item	4,345.1	4,397.7	4,650.6	4,830.1
Unusual Item	---	---	---	903.8
	125.4	61.7	(340.5)	(1,083.1)
Cumulative Difference – Beginning of Year	---	125.4	187.1	(153.4)
Cumulative Difference - End of Year	<u>\$ 125.4</u>	<u>\$ 187.1</u>	<u>\$ (153.4)</u>	<u>\$ (1,236.5)</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

NOTE 5 LOANS AND ADVANCES

In addition to establishing budgets for the classifications referred to in note 3 to these financial statements, the Province budgets disbursements and recoveries for loans and advances. The budgeted amounts and actual results for the year ended 31 March 2000, and the actual results for the year ended 31 March 1999 are as follows:

	2000	(millions)	
	<u>Budget</u>	<u>2000</u>	<u>1999</u>
		<u>Actual</u>	<u>Actual</u>
<u>Disbursements</u>			
Agricultural Development Act	\$ 7.4	\$ 4.2	\$ 4.4
Algonquin Properties Limited	1.0	1.0	1.2
Economic Development Act	45.0	28.9	22.2
Fisheries Development Act	8.0	5.1	4.5
Housing	7.1	6.4	6.3
Greater Moncton Area Transitional Policing	3.0	0.2	3.7
Other	<u>---</u>	<u>---</u>	<u>0.5</u>
Total Disbursements	<u>71.5</u>	<u>45.8</u>	<u>42.8</u>
<u>Recoveries</u>			
Agricultural Development Act	1.5	1.3	0.9
Algonquin Properties Limited	---	---	0.5
Economic Development Act	7.8	13.0	23.6
Finance	0.7	0.8	0.7
Fisheries Development Act	4.0	4.4	3.3
Health	0.6	0.6	0.6
Housing	2.4	3.0	2.6
Other	<u>0.1</u>	<u>0.7</u>	<u>0.1</u>
Total Recoveries	<u>17.1</u>	<u>23.8</u>	<u>32.3</u>
Net Loans and Advances	<u>\$54.4</u>	<u>\$22.0</u>	<u>\$ 10.5</u>

NOTE 6 SPECIAL PURPOSE ACCOUNTS

Special Purpose Account revenue earned but not spent accumulates as a surplus in that account and may be spent in future years for the purposes specified. At 31 March 2000, the accumulated surplus in all Special Purpose Accounts totaled \$49.7 million (\$42.4 million 1999). This total is recorded as a reduction in net debt.

The following table summarizes the change in the accumulated Special Purpose Account surplus.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

	1999 <u>Accumulated Surplus</u>	(millions)		Accumulated <u>Surplus</u>
		<u>Revenue</u>	<u>Expenditure</u>	
Economic Development, Tourism and Culture				
Redevelopment of the Miramichi Region	\$ 0.5	\$ 2.0	\$ 2.0	\$ 0.5
Arts Development Trust Fund	1.1	0.7	0.5	1.3
Education				
Fred Magee Account	0.3	---	0.1	0.2
Self Sustaining Accounts	1.7	5.8	5.4	2.1
International Projects	2.5	1.6	2.1	2.0
Johann Wordel Account	0.1	---	---	0.1
New Brunswick Community College Scholarship Account	0.2	---	---	0.2
Environment				
Environmental Trust Fund	1.8	15.3	15.7	1.4
Finance				
Group Insurance Trust Fund	6.0	0.4	---	6.4
Strait Crossing Finance Inc.	---	0.1	0.1	---
Health and Community Services				
Hospital Liability Protection Account	0.4	1.4	1.5	0.3
Medical Research Assistance Account	3.2	0.2	0.2	3.2
Third Party Contributions	---	0.3	0.3	---
WHSCC Compensation	---	0.4	0.4	---
Human Resources Development and Housing				
CMHC Funding	18.8	6.3	0.8	24.3
Justice				
Family Support	0.1	0.4	0.4	0.1
Labour				
International Projects	1.8	1.6	1.2	2.2
Municipalities				
Library Account	0.1	---	---	0.1
Sport Development Trust Fund	0.1	0.5	0.5	0.1
Natural Resources and Energy				
Wildlife Conservation	0.6	1.4	0.9	1.1
Solicitor General				
Municipal Police Assistance Account	0.1	0.6	0.6	0.1
Victim Services Account	0.4	1.4	1.2	0.6
Supply and Services				
Land Management Account	1.6	1.9	0.9	2.6
Public/Private Partnership Projects	0.2	---	0.1	0.1
Renovation of Old Government House	0.5	---	0.2	0.3
Transportation				
Suspended Driver - Alcohol Re-education Program	---	0.3	0.3	---
National Safety Code Agreement	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>	<u>0.4</u>
	<u>\$ 42.4</u>	<u>\$ 42.8</u>	<u>\$ 35.5</u>	<u>\$ 49.7</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

NOTE 7 SPECIAL OPERATING AGENCIES

Revenue may be generated by the Special Operating Agencies or from transfers from other budgetary accounts. Expenditures are incurred by the agencies in delivering the programs they offer and may be of a capital or operating nature.

Special Operating Agency account revenue earned but not spent in any year, accumulates as a surplus in that account and may be spent in future years. As at 31 March 2000, the accumulated surplus in all Special Operating Agency accounts totaled \$15.9 million (\$16.7 million 1999). This total is recorded as a reduction in net debt. The following table summarizes the change in the accumulated Special Operating Agency surplus during 1999-2000.

	1999 Accumulated <u>Surplus</u>	(millions)		Accumulated <u>Surplus</u>
		<u>Revenue</u>	<u>Expenditure</u>	
Economic Development, Tourism and Culture				
Mactaquac Golf Course	\$ ---	\$ 0.8	\$ 0.6	\$ 0.2
Education				
New Brunswick Community College	9.0	87.6	84.9	11.7
Labour				
New Brunswick Safety Code Services	0.2	3.8	3.3	0.7
Regional Development Corporation				
Regional Development Corporation	5.6	20.3	23.5	2.4
Transportation				
Vehicle Management	<u>1.9</u>	<u>63.4</u>	<u>64.4</u>	<u>0.9</u>
	<u>\$ 16.7</u>	<u>\$ 175.9</u>	<u>\$ 176.7</u>	<u>\$ 15.9</u>

NOTE 8 OBLIGATIONS UNDER CAPITAL LEASES

The total future principal and interest payments for capital leases amount to \$2,003.3 million (\$71.5 million 1999). That amount includes \$900.7 million (\$29.2 million 1999) in principal and \$1,102.6 million (\$42.3 million 1999) in interest.

Minimum annual principal and interest payments in each of the next five years are as follows:

<u>Fiscal Year</u>	(millions)
2000-2001	\$ 13.1
2001-2002	12.5
2002-2003	12.7
2003-2004	45.6
2004-2005	77.9

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

NOTE 9 GOVERNMENT ENTERPRISES

A Government Enterprise is an organization accountable to the Legislative Assembly that has the power to contract in its own name, has the financial and operating authority to carry on a business, sells goods and services to customers outside the Provincial Reporting Entity as its principal activity, and that can, in the normal course of its operations, maintain its operations and meet its liabilities from revenues received from sources outside the Provincial Reporting Entity.

The following is a list of Government Enterprises, and their fiscal year ends, which are included in the Provincial Reporting Entity as described in note 1 a) to these financial statements.

Algonquin Golf Limited	31-12-99
Lotteries Commission of New Brunswick (Lotteries)	31-03-00
New Brunswick Liquor Corporation (Liquor)	31-03-00
New Brunswick Municipal Finance Corporation (Municipal Finance)	31-12-99
New Brunswick Power Corporation (Power)	31-03-00
Workplace Health, Safety and Compensation Commission (WHSCC)	31-12-99

The following table presents condensed financial information of these Government Enterprises.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)						
	Algonquin Golf Limited	Lotteries	Liquor	Municipal Finance	Power	WHSCC	Total
Assets							
Cash and Equivalents	\$ ---	\$ ---	\$ 0.2	\$ 0.1	\$ 34.0	\$ 510.5	\$ 544.8
Receivables	---	1.3	1.2	4.2	170.0	71.9	248.6
Prepays	---	---	0.4	---	3.0	---	3.4
Inventories	---	---	14.5	---	78.0	---	92.5
Deferred Charges	---	---	3.4	---	166.0	---	169.4
Fixed Assets	6.8	---	10.7	---	2,996.0	9.2	3,022.7
Other Assets	---	---	---	<u>346.8</u>	<u>17.0</u>	<u>3.8</u>	<u>367.6</u>
Total Assets	<u>\$ 6.8</u>	<u>\$ 1.3</u>	<u>\$ 30.4</u>	<u>\$351.1</u>	<u>\$3,464.0</u>	<u>\$ 595.4</u>	<u>\$4,449.0</u>
Liabilities							
Short Term							
Indebtedness	\$ ---	\$ ---	\$ 2.6	\$ ---	\$ 176.0	\$ ---	\$ 178.6
Payables	0.4	---	8.7	4.2	218.0	7.3	238.6
Reserves	2.1	---	---	---	239.0	---	241.1
Long Term Debt	4.3	---	6.5	346.2	177.2	539.1	1,073.3
Debt Funded by the							
Province	---	---	---	---	<u>2,634.8</u>	---	<u>2,634.8</u>
Total Liabilities	<u>6.8</u>	<u>---</u>	<u>17.8</u>	<u>350.4</u>	<u>3,445.0</u>	<u>546.4</u>	<u>4,366.4</u>
Equity							
Retained Earnings	---	<u>1.3</u>	<u>12.6</u>	<u>0.7</u>	<u>19.0</u>	<u>49.0</u>	<u>82.6</u>
Total Equity	---	<u>1.3</u>	<u>12.6</u>	<u>0.7</u>	<u>19.0</u>	<u>49.0</u>	<u>82.6</u>
Total Liabilities and Equity	<u>\$ 6.8</u>	<u>\$ 1.3</u>	<u>\$ 30.4</u>	<u>\$351.1</u>	<u>\$3,464.0</u>	<u>\$ 595.4</u>	<u>\$4,449.0</u>
Net Income							
Revenue	\$ ---	\$ 86.8	\$ 270.9	\$ 24.3	\$1,248.0	\$ 153.6	\$1,783.5
Expenses	---	(1.8)	(170.1)	(0.1)	(900.0)	(136.3)	(1,208.3)
Interest Expense	---	---	---	<u>(24.2)</u>	<u>(331.0)</u>	---	<u>(355.1)</u>
Net Income	<u>\$ ---</u>	<u>\$ 85.0</u>	<u>\$ 100.8</u>	<u>\$ ---</u>	<u>\$ 17.0</u>	<u>\$ 17.3</u>	<u>\$ 220.1</u>

The financial information of Government Enterprises is prepared according to generally accepted accounting principles, using accounting policies that are appropriate for the industry segment in which they operate. These accounting policies may not be consistent with accounting policies used by other member organizations of the Provincial Reporting Entity.

Because minor adjustments are required for timing differences, the net income amounts reported in the financial statements of government enterprises may vary slightly from the investment income reported in the Province's Statement of Revenue and Expenditure.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Algonquin Golf Limited

Algonquin Golf Limited was incorporated on 29 May 1998 under the New Brunswick Business Corporation Act. Its purpose is to re-develop and operate the golf course currently owned by Algonquin Properties Limited. The company is still in the development phase, and so it did not have any revenue or expenditure for the year ended 31 December 1999.

Lotteries Commission of New Brunswick

The Lotteries Commission of New Brunswick is a shareholder in Atlantic Lottery Corporation Inc. and in the Interprovincial Lottery Corporation. Atlantic Lottery Corporation Inc. is jointly owned by the four Atlantic Provinces and is responsible to develop, organize, undertake, conduct and manage lotteries in Atlantic Canada. Atlantic Lottery Corporation Inc. also markets and handles the products of the Interprovincial Lottery Corporation. The Interprovincial Lottery Corporation is a corporation jointly owned by the ten Canadian provinces.

New Brunswick Liquor Corporation

The New Brunswick Liquor Corporation was established under the New Brunswick Liquor Corporation Act. Its business activity is the purchase, distribution and sale of alcoholic beverages throughout the Province of New Brunswick.

New Brunswick Municipal Finance Corporation

The Municipal Finance Corporation was established under the New Brunswick Municipal Finance Corporation Act. Its purpose is to provide financing for municipalities and municipal enterprises through a central borrowing authority.

New Brunswick Power Corporation

The New Brunswick Power Corporation was established in 1920 under the Electric Power Act and is an agent of the Crown in right of the Province. The Corporation provides for the continuous supply of energy adequate for the needs and future development of the Province and promotes economy and efficiency in the distribution, supply, sale and use of power.

Workplace Health, Safety and Compensation Commission

The Workplace Health, Safety and Compensation Commission was established under the Workplace Health, Safety and Compensation Commission Act on 1 January 1995. It is responsible for administration of both the Occupational Health and Safety Act and the Worker's Compensation Act. The Workplace Health, Safety and Compensation Commission is dedicated to the promotion of a safe and healthy work environment and the provision of services to workplaces, employers and the injured workers of New Brunswick.

The Commission administers the payment of benefits to injured workers, levies and collects assessment revenues and invests funds. The net assets of the Commission and all assessments collected from employers can only be used for the purposes of the Commission.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 10 BORROWING AUTHORITY

a) Balance of Borrowing Authority under the Provincial Loans Act

The balance of borrowing authority granted under the Provincial Loans Act is as follows:

	(millions)			
	Balance	Authority	Borrowing	Balance
	<u>1999</u>	Granted	During the	<u>2000</u>
		During the	Year	
		Year	Year	
Loan Act 1991	\$ 5.5	\$ ---	\$ 5.5	\$ ---
Loan Act 1997	222.5	---	215.6	6.9
Loan Act 1998	520.0	---	204.8	315.2
Loan Act 1999	<u>---</u>	<u>480.0</u>	<u>---</u>	<u>480.0</u>
	<u>\$ 748.0</u>	<u>\$ 480.0</u>	<u>\$ 425.9</u>	<u>\$ 802.1</u>

Under the authority of section 2 of the Provincial Loans Act, the maximum temporary indebtedness of the Province is \$1,400.0 million. At 31 March 2000, bank advances and short term borrowing amounted to \$455.5 million.

Under the authority of subsection 3(1) of the Provincial Loans Act, the Province may borrow sums required for the repayment, refinancing or renewal of securities issued or for the payment of any loan or liability, repayment of which is guaranteed by the Province. This authority is in addition to the authorities listed above.

b) Borrowing by the Municipal Finance Corporation

The New Brunswick Municipal Finance Corporation has authority under the New Brunswick Municipal Finance Corporation Act to provide financing for municipalities and municipal enterprises. As at 31 December 1999, long term debt owed by the corporation was \$346.2 million.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 11 FUNDED DEBT OUTSTANDING

The following is a maturity schedule for the total amount of the Province's Funded Debt.

(millions)					
<u>Fiscal Year of Maturity</u>	<u>Interest Rate (%) Range</u>	<u>Currency Amount</u>	<u>Total Funded Debt</u>	<u>Borrowing for NB Power Corporation</u>	<u>Funded Debt for Provincial Purposes</u>
2000-2001	5.0	Yen 1,128.0	\$ 16.0	\$ ---	
	7.4	Sfr 130.0	115.2	---	
	7.6-13.4	CAN \$ 626.8	<u>626.8</u>	<u>(251.0)</u>	
			<u>758.0</u>	<u>(251.0)</u>	\$ 507.0
2001-2002	5.0	Yen 1,128.0	16.0	---	
	9.3-17.5	CAN \$ 575.6	<u>575.6</u>	<u>(250.0)</u>	
			<u>591.6</u>	<u>(250.0)</u>	341.6
2002-2003	7.1	US \$ 257.0	373.5	(174.4)	
	5.0	Yen 1,128.0	16.0	---	
	8.0-16.5	CAN \$ 823.8	<u>823.8</u>	<u>(500.0)</u>	
			<u>1,213.3</u>	<u>(674.4)</u>	538.9
2003-2004	5.0	Yen 1,128.0	16.0	---	
	7.4-12.1	CAN \$ 330.9	<u>330.9</u>	<u>(100.0)</u>	
			<u>346.9</u>	<u>(100.0)</u>	246.9
2004-2005	7.5-7.6	US \$ 247.5	359.0	---	
	5.0	Yen 1,128.0	16.0	---	
	5.4-14.1	CAN \$ 284.5	<u>284.5</u>	---	
			<u>659.5</u>	---	659.5
2005-2006 & After	6.5-9.8	US \$1,089.0	1,583.7	(784.9)	
	5.0	Yen 6,360.0	90.0	---	
	5.6	Sfr 100.0	87.4	---	
	5.2-12.6	CAN \$5,008.4	<u>5,008.4</u>	<u>(870.0)</u>	
			<u>6,769.5</u>	<u>(1,654.9)</u>	<u>5,114.6</u>
Funded Debt before Sinking Fund Investments			10,338.8	(2,930.3)	7,408.5
Less: Sinking Fund Investments			<u>3,220.6</u>	<u>(295.1)</u>	<u>2,925.5</u>
Funded Debt Outstanding			<u>\$7,118.2</u>	<u>\$(2,635.2)</u>	<u>\$4,483.0</u>

NOTES TO THE FINANCIAL STATEMENTS
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Pursuant to section 12 of the Provincial Loans Act, the Minister of Finance maintains a General Sinking Fund for the repayment of funded debt either at maturity or upon redemption in advance of maturity. At 31 March 2000, the equity of the General Sinking Fund accumulated for the repayment of Provincial Debt was \$2,925.5 million (\$2,693.2 million 1999). Some of the assets of this Fund are bonds and debentures issued or guaranteed by the Province of New Brunswick. The net book value of these investments at 31 March 2000 was \$1,615.3 million (\$1,513.1 million 1999).

Because government enterprises are included in the reporting entity through modified equity accounting, long term debt issued directly by those enterprises is not included in the amount of Funded Debt Outstanding. Note 9 to these financial statements discloses the long term debt obligations of government enterprises.

The following amounts, which are payable swap agreements, have been included in the preceding funded debt maturity schedule. They have been reflected in that schedule in the currency payable per each financial swap agreement.

Fiscal Year of Maturity	(millions)		
	Amount Payable In Original Currency	Amount Payable Per Financial Swap Agreement	Canadian Dollar Equivalent
2000-2001	US \$ 15.6	CAN \$ 23.8	\$ 23.8
2002-2003	Yen 3,000.0	CAN \$ 30.6	30.6
2003-2004	Yen 5,000.0	CAN \$ 59.8	59.8
2004-2005	Yen 5,000.0	US \$ 47.5	69.0
2004-2005	Yen 5,000.0	CAN \$ 71.2	71.2
2004-2005	Yen 4,000.0	CAN \$ 55.1	55.1
2004-2005	Yen 3,000.0	CAN \$ 41.1	41.1
2006-2007	CAN \$ 95.1	Sfr 100.0	<u>87.4</u>
			<u>\$438.0</u>

All of the swap agreements are interest rate and currency swap agreements except the Sfr 100.0 issue due 2006-2007 which is a currency swap agreement only.

The following estimated payments are required in each of the next five years to meet the sinking fund provisions of existing debt.

<u>Fiscal Year</u>	(millions)
2000-2001	\$ 112.3
2001-2002	105.1
2002-2003	98.9
2003-2004	89.3
2004-2005	85.7

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

NOTE 12 DEBT CHARGES

The total cost of interest, exchange, amortization and related expenses is \$397.9 million (\$343.5 million 1999), which consists of:

	(millions)	
	2000	1999
Interest	\$ 833.4	\$ 827.4
Interest on Capital Leases	2.5	2.6
Foreign Exchange Expense	27.2	47.0
Other Expenses	<u>8.5</u>	<u>7.6</u>
	871.6	884.6
Interest Recovery for Debt Incurred for the New Brunswick Power Corporation	<u>(260.9)</u>	<u>(268.2)</u>
Service of the Public Debt	610.7	616.4
Sinking Fund Earnings	<u>(203.7)</u>	<u>(226.6)</u>
Debt Charges before Pension Interest	407.0	389.8
Pension Interest Earned	<u>(9.1)</u>	<u>(46.3)</u>
	<u>\$ 397.9</u>	<u>\$ 343.5</u>

NOTE 13 PENSION PLANS

a) Description

Employees of the Province and certain other entities, as well as members of the Legislative Assembly, are entitled to receive pension benefits. Pension funds distinct from the Consolidated Fund exist for each of these pension plans, except for the Members' Superannuation Plan, Members' Pension Plan and the Ombudsman Plan.

The following is a summary of contribution levels and basic member benefits for each pension plan.

Public Service Superannuation Plan (Public Service)

Employees are required to contribute 5.8% of their earnings, up to the year's maximum pensionable earnings under the Canada Pension Plan Act (YMPE), plus 7.5% on earnings above the YMPE. The Employer is required to contribute an amount necessary in the opinion of an actuary, which when combined with employee contributions will fund current service costs.

The basic pension benefit is 2.0% of the average annual salary during the highest paid continuous 5 year period integrated with the Canada Pension Plan at age 65, multiplied by the number of years pensionable service. Pension benefits are indexed annually to a maximum of 5%.

Unreduced pension benefits are available upon reaching age 60 with 5 years pensionable service. Reduced benefits are available at age 55 with 5 years of pensionable service.

NOTES TO THE FINANCIAL STATEMENTS
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Teachers' Pension Plan (Teachers')

Employees are required to contribute 7.3% of their earnings up to YMPE plus 9% of earnings above the YMPE. The Employer makes contributions equal to the employee contributions.

The basic pension benefit is 2.0% of the average annual salary during the highest paid continuous 5 year period integrated with the Canada Pension Plan, multiplied by the number of years pensionable service. Pension benefits are indexed annually to a maximum of 4.75%.

Employees are eligible for unreduced pension benefits when the sum of their age and completed years pensionable service is 87 or more, they have a minimum of 35 years pensionable service or at age 65 with 5 years of pensionable service. Reduced benefits are available when the age and service total is 85, or at age 60 with 5 years of pensionable service.

Provincial Court Act and Provincial Court Judges' Pension Act (Judges')

Judges appointed prior to 18 February 2000 may choose either the Provincial Court Judges' Pension Act or the Judges' Pension Plan under Provincial Court Act.

a) Under Provincial Court Act (PCA), judges are required to contribute 5.8% of their earnings up to the YMPE plus 7.5% on earnings above the YMPE. The Minister of Finance at the request of Board of Management will pay out of the Consolidated Fund into Pension Trust Fund an amount not less than the amount paid by each judge. If the fund is insufficient to make payments, the Minister of Finance shall, at the request of Board of Management, pay out of Consolidated Fund into the Trust Fund sufficient amounts to make payments.

Pension benefits are equal to 60% of the final salary integrated with the Canada Pension Plan at age 65. Pension benefits are indexed annually to a maximum of 6%.

Mandatory retirement is at age 75. Unreduced benefits are available at age 60 with 25 years service or at age 65 with 10 years service.

b) Under the Provincial Court Judges' Pension Act, judges are required to contribute 7% of salary. The employer contributes an amount determined by an actuarial valuation that together with judges' contributions is necessary to cover current service cost.

Pension benefits are 2.75% per year of service up to a maximum pension of 65% calculated on average salary. Average salary is the highest average annual salary of an active judge for any period of 36 successive months. Certain provisions of the plan are considered to be a Registered Pension Plan under the provision of the Income Tax Act.

There is no integration and pension benefits are indexed annually to a maximum of 5%. A judge with 2 years on the bench can retire without reduction at age 60. A judge with 2 years of pensionable service can retire early with a 3% reduction for each year before the age of 60. There are options for judges to choose alternate survivor pensions and guarantee periods.

There is no mandatory retirement age under this plan although provisions of the PCA that do not deal with pension benefits would continue to apply.

NOTES TO THE FINANCIAL STATEMENTS
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Members' Superannuation Plan and Members' Pension Plan (Members')

a) The Members' Superannuation Plan applies to Members of the Legislative Assembly (MLA's) who were MLA's prior to the enactment of the Members' Pension Act.

MLA's are required to contribute 9% of the MLA's indemnity plus 6% of the Minister's salary (if a Minister). These contributions are credited to the Members' Superannuation Account within the Provincial Consolidated Fund. The Province contributes an amount equal to the excess of pension payments over member contributions, plus interest.

Basic pension equals 4.5% of the average indemnity during the last three years as a MLA multiplied by the number of pensionable sessions served. This cannot exceed the amount of the final year's sessional indemnity. There is an additional benefit for Ministers equal to 3% of the average Ministers' salary during the last three years multiplied by the years service as a Minister.

Members are eligible for benefits upon ceasing to be a MLA with at least 10 sessions of pensionable service.

b) Members of the Members' Pension Plan are required to contribute the lesser of the amount described under the Members' Superannuation Plan and the maximum deductible registered pension contributions under the Income Tax Act.

Basic pension equals 2% of the average indemnity received in the highest paid 3 continuous sessions of the Legislature multiplied by the number of pensionable sessions while a member. Ministers are eligible for an additional basic pension amount equal to 2% of the average highest salary during 3 consecutive years multiplied by the years of service as a Minister. MLA's are eligible for a supplementary allowance of 125% of the basic pension amount. Ministers are eligible for an additional supplementary allowance equal to 50% of the basic Minister's pension amount.

Members are eligible for basic pension benefits at age 60 upon ceasing to be a MLA with at least 8 sessions of pensionable service. Eligibility for supplementary allowances commences at age 55 with at least 8 sessions of service upon ceasing to be a member.

Pension Plan for Canadian Union of Public Employees of New Brunswick Hospitals
(Hospitals - C.U.P.E.)

Employees are required to contribute 4.5% of their earnings up to the YMPE and 6% on the earnings above the YMPE. The employer is currently on a contribution holiday.

Basic pension is 1.75% of the average annual salary during the highest paid continuous 5 year period multiplied by the number of years pensionable service prior to 1 January 1997 plus 1.4% of the average annual salary during the highest paid continuous 5 year period after 31 December 1996. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

Unreduced pension benefits are available at age 60 with 5 years continuous employment. Reduced benefits are available at age 55 with 5 years continuous employment. Bridging benefits are available for early retirement.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Pension Plan for Management Employees of New Brunswick School Districts
(Schools - Management)

This plan is being curtailed. All former members have been given the option to transfer their benefits to the Public Service plan or to take a deferred pension from this plan.

There are no current contributors to the plan.

Basic pension equals 2.0% of average annual salary during the highest paid continuous 5 years integrated with the Canada Pension Plan, multiplied by the number of years pensionable service. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 3%.

Unreduced pension is available at age 60 with 5 years of pensionable service. Reduced benefits are available at age 55 with 5 years of pensionable service.

Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts (Schools - G.L.T.& S.)

Employees are required to contribute 4.5% of their earnings up to the YMPE, plus 6% of earnings above the YMPE. Employer is required to contribute an amount that is not less than 95% of the employee contributions.

Basic pension equals 1.75% of average salary during the highest paid continuous 5 years, integrated with the Canada Pension Plan at age 65, multiplied by the number of years pensionable service prior to 1 January 1997 plus 1.4% of average salary during the highest paid continuous 5 years, integrated with the Canada Pension Plan at age 65, multiplied by the number of years pensionable service after 31 December 1996.

Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

Unreduced pension benefits are available at age 60 with 5 years continuous employment. Reduced benefits are available on retirement at age 55 with 5 years continuous employment. Bridging benefits are available for early retirement.

Pension Plan for Secretarial and Clerical Employees of New Brunswick School Districts
(Schools - S. & C.)

Employees are required to contribute 4.5% of their earnings up to the YMPE, plus 6% of earnings above the YMPE. Employer is required to contribute an amount as determined by an actuary.

Basic pension equals 2.0% of average annual salary during the highest paid continuous 5 years, integrated with the Canada Pension Plan at age 65, multiplied by the number of years pensionable service prior to 1 January 1997, plus 1.3% of average salary during the highest paid continuous 5 years, integrated with the Canada Pension Plan at age 65, multiplied by the number of years pensionable service after 31 December 1996.

Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

Unreduced pension benefits are available at age 60 with 5 years continuous employment. Reduced benefits are available on retirement at age 55 with 5 years continuous employment.

NOTES TO THE FINANCIAL STATEMENTS
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Ombudsman Plan (Ombudsman)

The Province contributes the amount required to make annual pension payments. There are no current active members in this plan. All contributions are made to fund pension payments to retired Ombudsmen or their beneficiaries.

Basic pension to current recipients is the same as that for Federal Court judges.

Pension Plan for Certain Bargaining Employees of New Brunswick Hospitals (Hospitals - Certain)

Employees are required to contribute 5.185% of their earnings up to the YMPE, plus 6.61% of earnings above the YMPE. Employer makes contributions equal to the employee contributions.

Basic pension equals 2.0% of average annual salary during the highest paid continuous 5 years integrated with the Canada Pension Plan, multiplied by the number of years pensionable service. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 4%.

Unreduced pension is available at age 60 with 5 years continuous employment. Reduced pension is available at age 55 with 5 years continuous employment.

Pension Plan for Part-time and Seasonal Employees (Part Time)

This is a defined contribution plan. Eligible employees include part-time or seasonal employees of the Province, Hospital Corporations, and various government agencies. Participation in the plan is voluntary, except for employees represented by a bargaining agent. For those employees, participation in the plan is dependent upon the applicable negotiated collective agreement.

Employees can contribute 2%, 3.25% or 4.5% of their earnings. The Employer makes contributions equal to the employee contributions. The employee can make additional contributions up to the overall contribution maximums under the Income Tax Act but these are not matched by the employer. Normal retirement age is 65.

Early Retirement / Workforce Adjustment Program (Early Retirement)

The Province has obligations under various early retirement initiatives. The most recent program offered expired 15 March 2000 and was available to members of the Public Service Superannuation Act plan and employed in Part 1 of the Public Service. Under this program, employees could retire as early as age 55 with an unreduced pension. In addition, they were eligible for up to 3 years of pension credits.

Unreduced pension benefits were also granted to those employees who qualified for benefits under another provincially sponsored pension plan and are currently member of the Public Service Superannuation Act.

NOTES TO THE FINANCIAL STATEMENTS
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b) Pension Liability

With the exception of the Hospitals - Certain plan and the Hospitals – CUPE plan which are defined benefit plans with fixed employer contributions, and the Part-Time plan, which is a defined contribution plan, the Province is liable for any excess of accrued pension benefits over pension fund assets. The Provincial share of the estimated pension liability for all pension plans is \$596.0 million (\$772.7 million 1999). This estimate is based on actuarial valuations using the projected unit credit method, calculated as at the dates listed below. This method estimates the present value of retirement benefits associated with the period of employee service to the valuation date. The actuarial valuations were based on a number of assumptions about future events, such as rates of return on assets, wage and salary increases and employee turnover and mortality. Section i) of this note lists some of the actuarial assumptions used. Section j) lists selected information about plan members.

The latest actuarial valuations for the Province's pension plans are dated as listed in the following table:

<u>Plan</u>	<u>Date</u>
Public Service	01/04/99
Teachers'	01/04/99
Judges'	31/03/92
Members'	01/04/96
Schools – Management	01/01/93
Schools - G.L.T.&S.	01/01/97
Schools S.&C.	01/01/97
Early Retirement	01/04/99

Details of the pension liability are outlined in the following table. The estimated accrued benefits and the value of plan assets reported have been updated to the most recent year end of the applicable pension plan. This was based on a projection of the actuarial assumptions and on actual contribution levels. The plans for hospital and school district employees have 31 December year ends. All other plans have 31 March year ends.

Details of the unamortized adjustments and valuation allowances are disclosed in sections e), f), g) and h) of this note.

<u>Plan</u>	<u>(millions)</u>					
	<u>2000</u>				<u>1999</u>	
	<u>Estimated Accrued Benefits</u>	<u>Value of Assets</u>	<u>Actuarial Pension Liability (Surplus)</u>	<u>Unamortized Pension Adjustments and Valuation Allowance</u>	<u>Pension Liability (Surplus)</u>	<u>Pension Liability (Surplus)</u>
Public Service	\$2,721.4	\$3,178.8	\$ (457.4)	\$ 568.0	\$ 110.6	\$ 214.4
Teachers'	2,626.4	3,019.8	(393.4)	730.8	337.4	489.3
Judges'	35.1	22.0	13.1	2.9	16.0	12.8
Members'	32.3	---	32.3	---	32.3	31.3
Hospitals – C.U.P.E.	---	48.9	(48.9)	---	(48.9)	(53.4)
Schools – Management	10.4	14.2	(3.8)	---	(3.8)	(5.8)
Schools - G.L.T.& S.	117.1	151.5	(34.4)	33.6	(0.8)	(0.7)
Schools - S.& C.	21.3	29.0	(7.7)	4.1	(3.6)	(3.6)
Early Retirement	119.3	---	119.3	---	119.3	63.8
	<u>5,683.3</u>	<u>6,464.2</u>	<u>(780.9)</u>	<u>1,339.4</u>	<u>558.5</u>	<u>748.1</u>
Allocated to NB Power	545.1	645.1	(100.0)	62.5	(37.5)	(24.6)
	<u>\$5,138.2</u>	<u>\$5,819.1</u>	<u>\$(680.9)</u>	<u>\$1,276.9</u>	<u>\$ 596.0</u>	<u>\$ 772.7</u>

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The value of assets in all plans exceeds the value of accrued benefits by \$680.9 million at 31 March 2000. However, because the calculation of this excess includes estimates of future events and market values of assets, the Statement of Financial Position reports a liability of \$596.0 million for accounting purposes. The difference of \$1,276.9 million is being amortized over future years. This ensures that past improvements to the financial position of the plans are only recognized as evidence of their existence becomes reliable.

During the year ended 31 March 2000, the Province and the Canadian Union of Public Employees established a joint governance trustee agreement for the Hospitals – CUPE plan. Under this agreement, the Province's contribution level can not be increased for any reason without the consent of the Province.

As part of this new arrangement, the Province agreed to pay \$58.5 million into the pension fund. This represented the repayment of an amount withdrawn by the Province from the fund in 1990, plus interest.

Of the amount paid by the Province, \$48.5 million is to be used to offset the current service contributions which the Province would otherwise have to make (contribution holiday). This amount continues to accrue interest at the rate of the investment earnings of the fund.

Because the joint governance arrangement limits the Province's rights and obligations for this pension plan, the asset the Province is reporting is limited to the present value of the estimated future contribution holidays, using a discount rate of 8.42%.

c) Funding

Pursuant to the Public Service Superannuation Act, the Consolidated Fund and certain government agencies will, in each fiscal year until the benefits under that Act are fully funded as determined by an actuarial valuation, pay an amount into the Public Service Superannuation Fund that is in addition to the employer contribution for current service costs. The additional amount paid during the fiscal year ended 31 March 2000 was \$40.6 million as follows:

Consolidated Fund	\$ 31.9
New Brunswick Liquor Corporation	0.5
New Brunswick Power Corporation	8.0
Workplace Health, Safety and Compensation Commission	0.2

In each subsequent fiscal year the additional amount to be paid will be the amount paid in the previous fiscal year increased (or decreased) by the aggregate of 2% plus the average percentage change in the Consumer Price Index.

Pursuant to the Teachers' Pension Act, the Province will, in each fiscal year until the benefits under that Act are fully funded as determined by an actuarial valuation, pay an amount into the Teachers' Pension Fund that is in addition to the employer contribution for current service costs. The additional amount paid during the fiscal year ended 31 March 2000 was \$58.9 million. In each subsequent fiscal year the additional amount to be paid will be the amount paid in the previous fiscal year increased (or decreased) by the aggregate of 2% plus the average percentage change in the Consumer Price Index.

As at 31 March 2000 the Public Service plan was 116.8% funded and the Teachers' plan was 115.0% funded on an actuarial basis using the assumptions disclosed in this note. These are not the same assumptions used to determine funding contribution requirements. The most recent funding valuations indicate that the Public Service plan is fully funded but the Teachers' plan is not.

NOTES TO THE FINANCIAL STATEMENTS
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d) Change in Pension Liability

The components of the change in pension liability are disclosed in the following table:

(millions)							
<u>Plan</u>	<u>Employers' Share of Pension Benefits Earned</u>	<u>Pension Interest</u>	<u>Amortization of Adjustments</u>	<u>Valuation Adjustment</u>	<u>Total Pension Expense</u>	<u>Employer Pension Contribution</u>	<u>Increase (Decrease) in Pension Liability</u>
Public Service	\$ 38.4	\$ (8.6)	\$ (60.5)	\$ ---	\$ (30.7)	\$ 73.1	\$ (103.8)
Teachers'	28.7	(6.1)	(87.0)	---	(64.4)	87.5	(151.9)
Judges'	0.8	1.0	3.2	---	5.0	1.8	3.2
Members'	0.8	2.6	---	---	3.4	2.4	1.0
Hospitals - C.U.P.E.	1.2	(1.6)	---	4.9	4.5	---	4.5
Schools - Management	---	(0.5)	4.0	(1.5)	2.0	---	2.0
Schools - G.L.T.&S.	2.3	(1.9)	(1.9)	3.6	2.1	2.2	(0.1)
Schools - S. & C.	0.3	(0.3)	(0.3)	0.7	0.4	0.4	---
Ombudsman	0.2	---	---	---	0.2	0.2	---
Hospitals - Certain	9.3	---	---	---	9.3	9.3	---
Part Time	2.3	---	---	---	2.3	2.3	---
Early Retirement	<u>54.6</u>	<u>5.1</u>	<u>---</u>	<u>---</u>	<u>59.7</u>	<u>4.2</u>	<u>55.5</u>
	138.9	(10.3)	(142.5)	7.7	(6.2)	183.4	(189.6)
Allocated to NB Power	<u>8.1</u>	<u>(1.2)</u>	<u>(4.0)</u>	<u>---</u>	<u>2.9</u>	<u>15.8</u>	<u>(12.9)</u>
	<u>\$130.8</u>	<u>\$ (9.1)</u>	<u>\$ (138.5)</u>	<u>\$ 7.7</u>	<u>\$ (9.1)</u>	<u>\$167.6</u>	<u>\$ (176.7)</u>

Total pension benefits of \$221.7 million were earned by employees during the fiscal year. Employees contributed \$78.9 million toward these benefits. The value of pension benefits charged to agencies was \$12.0 million. The employers' share of pension benefits earned was \$130.8 million.

e) Experience Gains and Losses

Experience gains or losses are generally amortized to pension expense over the estimated average remaining service life of active contributors. The balance of experience gains on assets that arose prior to 1994 in the Public Service and Teachers' plans are being amortized over 5 years commencing in 1999. The following table summarizes the experience gains or losses for each plan:

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

Plan	Estimated Average Remaining Service Life of Active Contributors (years)	(millions)			
		31 March 1999 Unamortized Experience Gains (Losses)	New Experience Gains (Losses)	Amortization of Experience Gains	31 March 2000 Unamortized Experience Gains (Losses)
Public Service	16	\$113.8	\$298.6	\$ (43.4)	\$369.0
Teachers'	14	248.5	284.8	(60.5)	472.8
Judges'	11	0.3	2.7	(0.1)	2.9
Schools - G.L.T.&S.	13	5.7	10.2	(1.9)	14.0
Schools - S.&C.	16	(0.8)	2.9	(0.3)	1.8
Schools – Management	1	---	(4.0)	4.0	---
		367.5	595.2	(102.2)	860.5
Allocated to NB Power		9.3	64.0	(4.4)	68.9
		<u>\$358.2</u>	<u>\$531.2</u>	<u>\$ (97.8)</u>	<u>\$791.6</u>

f) Changes to Actuarial Assumptions

Changes to actuarial assumptions are generally amortized to pension expense over the estimated average remaining service life of active contributors. The following table summarizes the value of estimation adjustments arising from changes to actuarial assumptions for each plan:

Plan	Estimated Average Remaining Service Life Of Active Contributors (years)	(millions)		
		31 March 1999 Unamortized Value of Changes to Assumptions	Amortization of Changes to Assumptions	31 March 2000 Unamortized Value of Changes to Assumptions
Public Service	16	\$216.1	\$ (17.1)	\$ 199.0
Teachers'	14	284.5	(26.5)	258.0
		500.6	(43.6)	457.0
Allocated to NB Power		(6.8)	0.4	(6.4)
		<u>\$507.4</u>	<u>\$ (44.0)</u>	<u>\$463.4</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

g) Amendments to Pension Plan Provisions

Amendments were made to the Provincial Court Judges' Pension Plan that affected the value of the estimated accrued benefits for active judges.

(millions)					
Plan	Amortization Period (years)	31 March 1999 Unamortized Plan Amendments	Value of New Plan Amendments	Amortization of Plan Amendments	31 March 2000 Unamortized Plan Amendments
Judges	1	\$ ---	\$ 3.3	\$ 3.3	\$ ---

h) Valuation Allowance

Pension surpluses for individual plans that exceed certain limits, have been reduced by valuation allowances. Details of the allowances are provided in the following table:

<u>Plan</u>	(millions) 31 March 2000 <u>Valuation Allowance</u>
Schools - G.L.T.&S.	\$ 19.6
Schools - S. & C.	<u>2.3</u>
	<u>\$ 21.9</u>

i) Actuarial Assumptions

Calculation of the Province's employee pension obligations and related pension expenditure is based on long and short term actuarial assumptions except the Judges' Plan where only long term assumptions are used. The short term period spans the years 1997 to 2001 and the long term covers the years thereafter.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

The tables below disclose the long term assumptions and the range of short term assumptions used in the actuarial valuations.

Long Term Assumptions

<u>Plan</u>	<u>Rate of Return on Assets (%)</u>	<u>Annual Wage and Salary Increase (%)</u>	<u>Inflation (%)</u>	<u>Rate of Pension Escalation after Retirement (%)</u>
Public Service	8.42	4.50 plus promotional increase between 0.20 and 1.00	4.00	3.70
Teachers'	8.42	4.50 plus promotional increase between 0.25 and 1.50	4.00	3.60
Judges'	8.16	5.25	4.50	4.00
Hospitals - C.U.P.E.	8.42	4.50	4.00	2.00
Schools – Management	8.16	4.75	4.00	2.00
Schools - G.L.T.&S.	8.42	4.50	4.00	2.00
Schools - S.&C.	8.42	4.50	4.00	2.00
Members'	8.16	4.75	4.00	4.00

Short Term Assumptions

<u>Plan</u>	<u>Rate of Return on Assets (%)</u>	<u>Annual Wage and Salary Increase (%)</u>	<u>Inflation (%)</u>	<u>Rate of Pension Escalation after Retirement (%)</u>
Public Service	8.42	2.0 to 4.5	2.0 to 3.0	2.0 to 3.7
Teachers'	8.42	2.0 to 4.5	2.0 to 3.0	2.0 to 3.6
Judges'	8.16	5.25	4.5	4.0
Hospitals - C.U.P.E.	8.42	2.0 to 4.5	2.0 to 3.0	2.0
Schools – Management	6.08 to 7.64	1.5 to 4.0	2.0 to 3.5	2.0
Schools - G.L.T.&S.	8.42	2.0 to 4.5	2.0 to 3.0	2.0
Schools - S.&C.	8.42	2.0 to 4.5	2.0 to 3.0	2.0
Members'	6.08 to 7.64	0.0 to 4.0	2.0 to 3.5	2.0 to 3.5

These assumptions have been used to determine the amount of the Province's obligation for pension benefits outstanding and the value of benefits earned by employees during the fiscal year. Different assumptions have been used to determine the appropriate level of employee and employer contributions needed to fund the estimated cost of the pension plans.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

j) Member Data

The following table lists data about the members of each plan.

<u>Plan</u>	<u>Number of Active Contributors</u>	<u>Number of Pensioners</u>	<u>Average Annual Salary of Contributors</u>	<u>Average Annual Pension</u>
Public Service	18,403	8,054	\$ 43,216	\$ 13,394
Teachers'	9,095	5,357	46,145	23,230
Judges'	26	27	129,628	38,509
Hospitals - C.U.P.E.	4,402	1,610	24,209	5,598
Schools - Management	---	57	---	11,958
Schools - G.L.T.& S.	1,913	912	23,242	5,816
Schools - S.&C.	532	101	22,411	3,754
Members'	55	96	38,076	26,706

Ministers earn an additional average salary of \$33,998.

NOTE 14 CONTINGENT LIABILITIES

a) Legal Action

An Act to Amend the Workers' Compensation Act was proclaimed on 26 February 1998. This Bill reinstated benefits to surviving spouses who were disentitled on or after 17 April 1985 as a result of remarriage or cohabitation. Some surviving spouses who were disentitled prior to 17 April 1985 claim their benefits should be reinstated and have commenced legal action.

b) Guaranteed Loans

The Province has guaranteed certain debt of entities external to the Provincial Reporting Entity under the authority of various statutes. At 31 March 2000, the total contingent liability in respect of these guarantees was \$66.8 million (\$80.8 million 1999), of which the Province has recognized \$16.2 million as a liability in the Statement of Financial Position (\$16.3 million 1999).

	(millions)	
	<u>Authorized Limit</u>	<u>Contingent Liability</u>
Adult Education and Training Act	\$ 0.3	\$ 0.3
Agricultural Development Act	1.6	0.8
Economic Development Act	48.3	43.7
Employment Development Act	2.5	2.3
Fisheries Development Act	6.5	4.3
Livestock Incentives Act	0.5	0.5
Nursing Homes Act	11.0	11.0
Regional Development Corporation Act	4.0	<u>3.9</u>
		66.8
Less: Allowance for Losses (Schedule 10)		<u>16.2</u>
		<u>\$ 50.6</u>

NOTES TO THE FINANCIAL STATEMENTS
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c) Environmental Responsibility

The Province of New Brunswick has an agreement with a mining company to limit the liability of the company to \$3.0 million for environmental damages that occurred prior to the company commencing mining at a specified site. The cost to clean up the major problem area of this site has been estimated at \$3.0 million. The Province currently holds a performance bond for \$1.3 million from this company relating to this clean up.

N.B. Coal (a wholly owned subsidiary of New Brunswick Power Corporation) has an environmental responsibility to treat acidic water drainage from an inactive mine. Cost of treatment for the fiscal year ended 31 March 2000 was \$0.5 million (\$0.5 million 1999).

d) Insurance

The Province does not carry general liability insurance or property insurance on its assets except in a few limited instances. Any successful liability claims against the Province and any replacement of lost or damaged property are charged to expenditure in the year of settlement or replacement.

NOTE 15 COMMITMENTS

a) Operating Leases

The total future minimum payments under various operating lease agreements, including those of government enterprises, for the rental of space and equipment amounts to \$329.7 million (\$233.1 million 1999). Minimum annual lease payments in each of the next five years are as follows:

<u>Fiscal Year</u>	<u>(millions)</u>
2000-2001	\$ 45.4
2001-2002	36.0
2002-2003	28.0
2003-2004	24.3
2004-2005	22.2

b) Nursing Homes

The Department of Health and Community Services includes in its annual operating budget funding for the repayment of approved long term debt of certain nursing homes. The Department funds the nursing homes through grants which pay the difference between operating expenses and revenue from other sources. On average, revenue from other sources covers approximately 35% of operating costs.

Total long term debt of these nursing homes at 31 March 2000 amounted to approximately \$79.2 million (\$81.2 million 1999). Of the \$79.2 million nursing home debt, the Province has issued guarantees totalling approximately \$11.0 million (\$11.3 million 1999) which is included as a contingent liability.

c) Authorized Capital Projects

The 31 March 2000 estimated amount required to complete authorized major construction projects of schools, hospitals, other buildings, roads and bridges, and to meet capital grant obligations is \$36.5 million (\$55.2 million 1999). This includes projects that will be cost shared with the Government of Canada. Most of these projects are expected to be completed within three years.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

d) Other Commitments

Fredericton-Moncton Highway

In January 1998, the Province through the New Brunswick Highway Corporation (NBHC) entered into agreements with a private sector consortium and the New Brunswick (F-M) Project Company Inc., a not-for-profit company, to develop, design, build, operate, manage, maintain and rehabilitate a four lane toll highway between Longs Creek and Moncton. In March 2000, the agreements were amended to eliminate toll collection. The total capital cost of the project including construction financing until the full traffic availability date of 30 November 2001, is estimated to be \$903.8 million.

Under these agreements, NBHC is required to lease land to the New Brunswick (F-M) Project Company Inc., which will own all improvements to those lands, in particular the four lane highway. The New Brunswick (F-M) Project Company Inc. will sublease the improvements to NBHC. NBHC is responsible for making sublease payments and traffic volume payments to the New Brunswick (F-M) Project Company Inc.

The Province was accounting for the original arrangement as an operating lease. The elimination of tolls in March 2000 has changed the lease from an operating lease to a capital lease. The Province's Statement of Revenue and Expenditure for the year ended 31 March 2000 therefore includes, as an unusual expenditure, the total net present value of the project.

NOTE 16 EXPENDITURE BY PRIMARY CLASSIFICATION

The expenditures by primary classification are as follows:

	(millions)	
	<u>2000</u>	<u>1999</u>
Personal Services	\$1,083.0	\$ 985.1
Other Services	381.1	403.5
Materials and Supplies	109.1	114.0
Property and Equipment	259.1	286.5
Contributions, Grants and Subsidies to or on behalf of:		
Hospitals	726.0	664.0
Municipalities and Local Service Districts	148.6	150.8
Individuals	804.6	800.3
Nursing Homes	109.1	106.4
Other	507.8	417.6
Debt and Other Charges	<u>701.7</u>	<u>722.4</u>
	<u>\$4,830.1</u>	<u>\$4,650.6</u>

Unusual item:

	(millions)	
	<u>2000</u>	<u>1999</u>
Other Services	\$ 31.8	\$ ---
Property and Equipment	<u>872.0</u>	<u>---</u>
	<u>\$ 903.8</u>	<u>\$ ---</u>

NOTES TO THE FINANCIAL STATEMENTS
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Personal Services includes salaries and benefits of employees, and allowances paid to the members of the Legislative Assembly. Personal Services does not include salaries and benefits of employees of hospitals and other agencies, which are paid by those organizations. Funding provided to those organizations is recorded as Contributions, Grants and Subsidies.

Other Services includes the purchase of various services including rental of space, postage, advertising, professional services, Royal Canadian Mounted Police services and travel expenses.

Materials and Supplies includes the purchase of textbooks, office supplies, heating fuel, vehicle and equipment supplies and parts, and structural materials and supplies.

Property and Equipment includes the purchase and construction of buildings, roads, bridges, equipment, and office furniture.

Contributions, Grants and Subsidies includes payments to government corporations, agencies and boards, and to business entities and non-profit organizations. Contributions, Grants and Subsidies to or on behalf of individuals includes income assistance payments and medical service payments on behalf of individuals. Contributions, Grants and Subsidies to Hospitals includes both grants provided to Hospitals, and the unfunded deficits of Hospitals.

Debt and Other Charges includes the cost of servicing the public debt and bad debt expenses.

NOTE 17 TRUST FUNDS

The Province is trustee for various trust funds outside the Provincial Reporting Entity.

The following is a summary of the trust fund equities calculated using the method indicated below to value investment assets:

	(millions)	
	<u>2000</u>	<u>1999</u>
<u>Cost Method:</u>		
Margaret R. Lynds Bequest	\$ 0.1	\$ 0.1
Mental Health Trust Fund	0.7	0.6
New Brunswick Power Corporation Sinking Fund	51.2	110.1
Viscount Bennett Bequest	<u>0.2</u>	<u>0.2</u>
	<u>\$ 52.2</u>	<u>\$111.0</u>
<u>Market Value Method:</u>		
Judges' Superannuation Trust Fund	\$ 22.0	\$ 16.9
Pension Plan for the Management Employees of New Brunswick School Boards	14.2	13.4
Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Boards	151.5	134.7
Pension Plan for Secretarial and Clerical Employees of New Brunswick School Boards	29.0	23.9
Public Service Superannuation Fund	3,178.8	2,614.8
Teachers' Pension Trust Fund	<u>3,019.8</u>	<u>2,525.3</u>
	<u>\$6,415.3</u>	<u>\$5,329.0</u>

NOTES TO THE FINANCIAL STATEMENTS
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The Margaret R. Lynds Bequest is used to award three annual scholarships of equal value to students pursuing the study of communications at specified universities. The Mental Health Trust Fund is used to pay for psychoanalysis treatment of deserving New Brunswick residents. The income from the Viscount Bennett Bequest is used to develop the Province's historic resources.

The New Brunswick Power Corporation Sinking Fund is held in trust under the authority of the Electric Power Act. New Brunswick Power Corporation makes payments to this sinking fund as required by the terms of any bond or debenture issues. These are retained and invested. The purpose of the fund is to repay the bonds or debentures when they mature.

NOTE 18 CHANGE IN PROVINCIAL BORROWING

The Province's funded debt issued for Provincial purposes decreased \$17.8 million during the year (increased \$255.7 million in 1999), after deducting the value of the sinking fund. Bank Advances and Short Term Borrowing increased by \$174.4 million (decreased \$13.3 million in 1999). Total borrowing was therefore \$156.6 million higher at 31 March 2000 than it was at 31 March 1999.

The following table shows how total borrowing increased \$156.6 million.

	(millions)	
	<u>2000</u>	<u>1999</u>
(Increase) in Net Debt for the Year	\$ (895.7)	\$ (164.3)
Decrease in Pension Liability	(176.7)	(289.9)
Increase (Decrease) in Deferred Revenue	0.1	(245.7)
(Increase) Decrease in Investments, Loans and Advances	(55.8)	413.9
Increase (Decrease) in Obligations under Capital Leases	871.5	(0.5)
Decrease (Increase) in Other Current Assets and Liabilities	<u>20.3</u>	<u>149.5</u>
Decrease (Increase) in Borrowing Before Foreign Exchange Adjustments	(236.3)	(137.0)
Foreign Exchange Adjustments	<u>79.7</u>	<u>(105.4)</u>
(Increase) Decrease in Borrowing	<u>\$ (156.6)</u>	<u>\$ (242.4)</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2000

The following changes in Other Current Assets and Liabilities had an affect on the Province's Working Capital position. In the table below, bracketed figures indicate an increase in Working Capital.

1	(millions)	
	<u>2000</u>	<u>1999</u>
Accounts and Interest Receivable	\$ 68.4	\$ (121.1)
Taxes Receivable	(15.5)	(25.5)
Inventories	1.6	0.6
Prepaid and Deferred Charges	(10.8)	8.2
Accounts Payable	(81.3)	156.9
Accrued Expenditures	21.4	38.9
Deposits Held in Trust	<u>3.1</u>	<u>2.9</u>
Decrease (Increase) in Working Capital	(13.1)	60.9
Increase in Allowance for Doubtful Accounts	46.5	87.0
Decrease (Increase) in Premiums and Discounts on Issue of Debt	<u>(13.1)</u>	<u>1.6</u>
Decrease (Increase) in Other Current Assets and Liabilities	<u>\$ 20.3</u>	<u>\$ 149.5</u>

NOTE 19 COMPARATIVE FIGURES

Certain other figures for the prior year have also been restated to conform with the 2000 presentation of the financial statements.

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)	
	2000	1999
SCHEDULE 1		
ACCOUNTS AND INTEREST RECEIVABLE		
Accounts Receivable		
Canada - Conditional Grants		
Atlantic Freight Transition Program	\$ ---	\$ 0.8
Canada Mortgage and Housing Corporation	28.5	29.9
Canada/New Brunswick Highway Improvement Program	4.1	15.0
Disaster Financial Assistance Program	32.4	21.7
Infrastructure Program	0.4	0.7
Official Languages in Education Program	6.6	9.4
Refund of Harmonized Sales Tax Paid	10.1	13.0
Regional Economic Development Agreement	8.3	5.5
Vocational Rehabilitation of Disabled Persons	---	0.9
Young Offenders Act	2.8	1.1
Other Agreements	3.6	4.7
Canada - Unconditional Grants		
Canada Health and Social Transfer	4.1	1.6
Fiscal Equalization	6.1	93.7
Receivables of Government Departments		
Economic Development, Tourism and Culture	3.3	3.7
Education	16.0	12.7
Finance	7.4	11.8
Health and Community Services	17.6	19.3
Human Resources Development and Housing	28.2	23.4
Justice	13.3	8.3
Labour	11.0	1.7
Municipalities	40.4	40.9
Natural Resources and Energy	5.6	3.1
Solicitor General	3.4	2.5
Supply and Services	2.8	3.9
Transportation	5.3	7.0
Other Departments	2.3	2.1
Guarantee Payouts	15.9	32.0
Working Capital Advances	7.1	7.8
Other	5.2	4.2
Interest Receivable		
Agricultural Development Act	1.3	0.9
Economic Development Act	2.6	3.5
Fisheries Development Act	20.4	20.3
Other	2.8	2.0
	<u>318.9</u>	<u>409.1</u>
Less: Allowance for Doubtful Accounts	77.5	77.8
	<u>\$ 241.4</u>	<u>\$ 331.3</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)	
	2000	1999
SCHEDULE 2		
TAXES RECEIVABLE		
Gasoline and Motive Fuels Tax	\$ 14.6	\$ 15.1
Real Property Tax	323.8	307.9
Royalties and Stumpage on Timber	19.1	21.3
Sales Tax	69.5	83.7
Tobacco Tax	4.4	5.3
Other	0.2	0.3
	431.6	433.6
Less: Allowance for Doubtful Accounts	83.9	84.8
	\$ 347.7	\$ 348.8
 SCHEDULE 3		
INVENTORIES		
Construction and Maintenance Materials	\$ 8.1	\$ 9.2
Educational Textbooks	2.1	2.1
Machine Repair Parts	5.4	5.3
Properties Held for Sale	3.4	4.6
Stationery and Supplies	1.2	1.2
Veterinary Supplies	0.7	0.6
Other Supplies	3.7	3.2
	\$ 24.6	\$ 26.2
 SCHEDULE 4		
PREPAID AND DEFERRED CHARGES		
Unamortized Premiums, Discounts, and Issue Expenses on Debentures	\$ 64.0	\$ 50.8
Other	25.1	14.3
	\$ 89.1	\$ 65.1

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

(millions)

	2000			1999		
	Amount	Allowance for Doubtful Accounts	Net	Amount	Allowance for Doubtful Accounts	Net
SCHEDULE 5						
LOANS AND ADVANCES						
Agriculture and Rural Development						
Agricultural Development Act	\$ 16.8	\$ 6.3	\$ 10.5	\$ 14.6	\$ 5.7	\$ 8.9
New Brunswick Agri-Export	0.5	0.5	---	---	---	---
Economic Development, Tourism and Culture						
Economic Development Act	109.5	33.4	76.1	103.1	38.2	64.9
Provincial Holdings Ltd.	16.6	5.4	11.2	22.1	10.2	11.9
Miramichi Redevelopment	0.4	---	0.4	0.5	---	0.5
Education						
Loans to Students	0.2	0.2	---	0.2	0.2	---
Environment						
Water and Sewerage Systems	0.4	---	0.4	0.4	---	0.4
Executive Council						
La Fondation du quotidien francophone	4.0	4.0	---	4.0	4.0	---
Finance						
Municipalities - Department of Regional Industrial Expansion Agreements	2.3	0.6	1.7	3.1	0.6	2.5
Fisheries and Aquaculture						
Fisheries Development Act	72.4	59.5	12.9	71.8	61.7	10.1
Health and Community Services						
Saint John Regional Laundry	---	---	---	0.6	---	0.6
Human Resources Development & Housing						
New Brunswick Housing Act	24.9	2.7	22.2	20.8	2.9	17.9
Municipalities						
Loans to Municipalities	0.1	---	0.1	0.1	---	0.1
Other Loans	0.2	0.2	---	0.2	0.2	---
Regional Development Corporation						
Fundy Trail Endowment Fund	3.0	---	3.0	2.8	---	2.8
Solicitor General						
City of Moncton	2.7	---	2.7	3.0	---	3.0
Supply and Services						
Other Loans	0.1	---	0.1	0.1	---	0.1
Transportation						
Unsatisfied Judgements	9.5	9.5	---	9.5	9.5	---
	\$ 263.6	\$ 122.3	\$ 141.3	\$ 256.9	\$ 133.2	\$ 123.7

SCHEDULES TO THE FINANCIAL STATEMENTS
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	(millions)	
	2000	1999
SCHEDULE 6		
INVESTMENTS		
Investment in Government Enterprises		
Lotteries Commission of New Brunswick	\$ 1.3	\$ 6.6
New Brunswick Liquor Corporation	11.8	11.1
New Brunswick Municipal Finance Corporation	0.7	0.7
New Brunswick Power Corporation	19.3	2.3
Workplace Health, Safety and Compensation Commission	49.0	31.7
	82.1	52.4
Other Long Term Investments	3.4	3.5
	\$ 85.5	\$ 55.9

SCHEDULE 7
BANK ADVANCES AND SHORT TERM BORROWING

Bank Overdrafts	\$ 48.7	\$ 132.1
Treasury Bill 0% Maturing 10 March 2000	---	1.0
Treasury Bills 5.07%-5.27% Maturing 11 April 2000 - 22 June 2000	735.9	581.0
	784.6	714.1
Less:		
Cash	47.6	30.3
Short Term Investments	281.5	402.7
	329.1	433.0
	\$ 455.5	\$ 281.1

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)	
	2000	1999
SCHEDULE 8		
ACCOUNTS PAYABLE		
Accounts Payable for Goods and Services		
Agriculture and Rural Development	\$ 5.7	\$ 3.5
Economic Development, Tourism and Culture	20.1	11.4
Education	23.6	37.0
Environment	1.7	2.9
Finance	17.6	9.5
General Government	6.7	63.3
Health and Community Services	82.7	51.2
Human Resources Development and Housing	24.7	9.7
Labour	6.0	7.4
Maritime Provinces Higher Education Commission	10.7	10.7
Municipalities	3.7	14.5
Natural Resources and Energy	2.4	66.6
Office of the Comptroller	2.4	7.2
Regional Development Corporation	2.1	1.7
Solicitor General	20.0	20.9
Supply and Services	14.8	12.8
Transportation	29.8	26.1
Other Departments	1.2	6.8
Due to Canada		
Department of Regional Industrial Expansion	1.9	2.8
Harmonized Sales Tax Agreement	13.8	---
Other Agreements	0.5	7.7
New Brunswick Housing Corporation - Third Parties	47.5	47.5
Other	8.6	8.2
	\$ 348.2	\$ 429.4
 SCHEDULE 9		
ACCRUED EXPENDITURES		
Accrued Interest		
Funded Debt	\$ 161.7	\$ 155.9
Outstanding Treasury Bills	4.1	3.4
Other	0.7	0.9
	166.5	160.2
Accrued Salaries Payable	85.3	93.1
Deficits of Hospital Corporations	72.0	76.1
Health and Community Services	19.5	30.1
Holdbacks on Contracts	6.6	4.5
Liability for Injured Workers	42.3	40.1
Retirement Allowances	217.5	211.3
Solid Waste Management	11.5	5.5
Other	53.3	32.3
	\$ 674.5	\$ 653.2

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)	
	2000	1999
SCHEDULE 10		
ALLOWANCE FOR LOSSES		
Agriculture and Rural Development	\$ ---	\$ 0.1
Economic Development, Tourism and Culture	12.1	13.0
Education	1.3	1.3
Fisheries and Aquaculture	1.0	---
Labour	1.8	1.9
	\$ 16.2	\$ 16.3
	\$ 16.2	\$ 16.3
SCHEDULE 11		
DEFERRED REVENUE		
Canada Health and Social Transfer	\$ 57.5	\$ ---
Harmonization Transitional Payment	34.0	100.0
Highway Improvement Recoveries	4.8	7.4
Motor Vehicle and Operators' Licenses	36.4	35.1
Real Property Taxes	198.1	188.3
Redevelopment of the Miramichi Region - Grant	4.3	6.0
Other	5.7	3.9
	\$ 340.8	\$ 340.7
	\$ 340.8	\$ 340.7
SCHEDULE 12		
DEPOSITS HELD IN TRUST		
Administrator of Estates of Patients in Psychiatric Facilities	\$ 0.4	\$ 0.4
Contractors' Deposits	1.2	0.8
Court of Queen's Bench	3.6	4.0
Employee Contributions for Early Retirement Benefits	5.2	5.8
Mining Licenses - Non-Performance Renewal Fees	2.0	2.0
New Brunswick Crop Reinsurance Fund	1.8	1.2
Sale of Property for Taxes	0.7	0.7
Scholarship Trusts	1.8	1.7
Tenants' Security Deposits	9.3	8.5
Other	6.5	4.4
	\$ 32.5	\$ 29.5
	\$ 32.5	\$ 29.5
SCHEDULE 13		
OBLIGATIONS UNDER CAPITAL LEASES		
Moncton North School	\$ 9.7	\$ 10.0
Miramichi Youth Facility	19.0	19.2
New Brunswick Highway Corporation	872.0	---
	\$ 900.7	\$ 29.2
	\$ 900.7	\$ 29.2

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)		
	<u>2000 Budget</u>	<u>2000 Actual</u>	<u>1999 Actual</u>
SCHEDULE 14			
TAXES ON CONSUMPTION			
Gasoline and Motive Fuels Tax	\$ 173.0	\$ 185.5	\$ 173.9
Harmonized Sales Tax	641.7	590.7	593.3
Tobacco Tax	43.0	47.8	46.7
Other	0.1	0.1	0.1
	<u>\$ 857.8</u>	<u>\$ 824.1</u>	<u>\$ 814.0</u>
SCHEDULE 15			
TAXES ON INCOME			
Corporate Income Tax	\$ 157.0	\$ 141.0	\$ 116.9
Mining Tax	4.0	3.9	3.2
Personal Income Tax	855.0	900.3	779.5
	<u>\$ 1,016.0</u>	<u>\$ 1,045.2</u>	<u>\$ 899.6</u>
SCHEDULE 16			
OTHER TAXES			
Financial Corporation Capital Tax	\$ 8.8	\$ 8.5	\$ 7.9
Insurance Premium Tax	26.1	25.9	24.8
Large Corporation Capital Tax	32.0	28.1	23.6
Other	2.7	3.3	3.0
	<u>\$ 69.6</u>	<u>\$ 65.8</u>	<u>\$ 59.3</u>
SCHEDULE 17			
LICENSES AND PERMITS			
Angling Licenses	\$ 1.6	\$ 1.7	\$ 1.6
Corporations - Annual Filing Fees	1.8	2.0	1.9
Corporations - Letters Patent	1.1	1.2	1.2
Hunting Licenses	2.0	2.3	2.3
Liquor Licensing Board	3.2	3.0	2.7
Motor Vehicle Licenses	72.4	78.8	73.5
Other	13.4	16.4	11.4
	<u>\$ 95.5</u>	<u>\$ 105.4</u>	<u>\$ 94.6</u>
SCHEDULE 18			
ROYALTIES			
Forest	\$ 46.3	\$ 54.5	\$ 53.4
Mines	6.7	8.1	8.1
	<u>\$ 53.0</u>	<u>\$ 62.6</u>	<u>\$ 61.5</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)		
	<u>2000 Budget</u>	<u>2000 Actual</u>	<u>1999 Actual</u>
SCHEDULE 19			
INVESTMENT INCOME			
Lottery Revenues	\$ 84.2	\$ 86.3	\$ 86.0
New Brunswick Liquor Corporation	93.9	100.8	93.0
New Brunswick Power Corporation	---	17.0	(423.0)
Workplace Health, Safety and Compensation Commission	0.5	17.3	18.9
Other Investment Income	18.4	26.9	22.8
	<u>\$ 197.0</u>	<u>\$ 248.3</u>	<u>\$ (202.3)</u>
SCHEDULE 20			
OTHER PROVINCIAL REVENUE			
Sales of Goods and Services	\$ 107.8	\$ 160.5	\$ 133.4
Other Revenue	19.7	37.7	41.2
	<u>\$ 127.5</u>	<u>\$ 198.2</u>	<u>\$ 174.6</u>
SCHEDULE 21			
CONDITIONAL GRANTS - CANADA			
Aquaculture Compensation	\$ ---	\$ 7.0	\$ 13.0
Atlantic Freight Transition	---	---	10.1
Canada Mortgage and Housing Corporation	33.1	32.7	34.7
Economic Development	22.2	16.5	20.3
First Nation Students	5.2	7.1	6.5
Flood and Storm Damage	0.1	3.6	5.9
Highway Improvements	33.7	33.5	19.1
Infrastructure Program	1.6	2.6	6.2
Job Corps	8.4	1.6	8.0
Labour Development Agreements	92.8	93.5	84.9
New Brunswick Works	---	---	0.6
Official Languages in Education Agreement	11.3	16.0	12.4
Vocational Treatment and Rehabilitation of Disabled Persons	4.5	5.8	6.4
Young Offenders Act	4.3	3.9	4.3
Other	10.2	13.9	22.5
	<u>\$ 227.4</u>	<u>\$ 237.7</u>	<u>\$ 254.9</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)		
	<u>2000</u> <u>Budget</u>	<u>2000</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>
SCHEDULE 22			
EDUCATION			
Education	\$ 788.1	\$ 788.6	\$ 751.8
General Government	2.7	(53.8)	(51.4)
Maritime Provinces Higher Education Commission	160.5	160.9	159.4
Supply and Services	37.0	37.8	19.4
	<u>\$ 988.3</u>	<u>\$ 933.5</u>	<u>\$ 879.2</u>
SCHEDULE 23			
HEALTH			
General Government	\$ ---	\$ 4.8	\$ 16.4
Health and Community Services	1,401.2	1,526.8	1,396.2
Supply and Services	7.2	7.6	6.1
	<u>\$ 1,408.4</u>	<u>\$ 1,539.2</u>	<u>\$ 1,418.7</u>
SCHEDULE 24			
INCOME ASSISTANCE			
General Government	\$ 3.9	\$ 4.3	\$ 4.2
Human Resources Development and Housing	378.7	349.1	367.7
	<u>\$ 382.6</u>	<u>\$ 353.4</u>	<u>\$ 371.9</u>
SCHEDULE 25			
JUSTICE			
General Government	\$ 2.1	\$ 5.0	\$ 1.4
Justice	33.3	33.9	30.5
Solicitor General	75.1	75.6	78.3
Supply and Services	0.2	0.2	0.1
	<u>\$ 110.7</u>	<u>\$ 114.7</u>	<u>\$ 110.3</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2000

	(millions)		
	<u>2000</u> <u>Budget</u>	<u>2000</u> <u>Actual</u>	<u>1999</u> <u>Actual</u>
SCHEDULE 26			
ECONOMIC DEVELOPMENT			
Agriculture and Rural Development	\$ 25.0	\$ 28.4	\$ 24.6
Economic Development, Tourism and Culture	66.4	58.5	66.7
Environment	32.9	39.9	37.1
Fisheries and Aquaculture	11.3	18.8	11.4
General Government	28.2	56.4	62.4
Labour	135.9	117.3	114.5
Natural Resources and Energy	78.5	95.4	140.3
Regional Development Corporation	62.7	59.4	62.8
Regional Development Corporation - Special Operating Agency	6.3	23.5	31.2
Supply and Services	1.8	11.5	8.4
	<u>\$ 449.0</u>	<u>\$ 509.1</u>	<u>\$ 559.4</u>
SCHEDULE 27			
MUNICIPAL AFFAIRS			
Municipalities	\$ 129.7	\$ 133.3	\$ 127.5
Supply and Services	---	---	0.2
	<u>\$ 129.7</u>	<u>\$ 133.3</u>	<u>\$ 127.7</u>
SCHEDULE 28			
TRANSPORTATION			
General Government	\$ 0.3	\$ 3.9	\$ 0.7
New Brunswick Highway Corporation	5.5	6.1	12.8
Transportation	333.1	351.4	343.7
	<u>\$ 338.9</u>	<u>\$ 361.4</u>	<u>\$ 357.2</u>
SCHEDULE 29			
CENTRAL GOVERNMENT			
Executive Council	\$ 3.6	\$ 3.2	\$ 3.9
Finance	20.3	18.7	20.3
General Government	93.4	39.0	36.8
Intergovernmental and Aboriginal Affairs	2.7	2.6	2.0
Legislative Assembly	12.2	16.6	12.5
New Brunswick Investment Management Corporation	---	4.6	3.6
Office of the Comptroller	4.9	4.8	5.0
Office of the Premier	1.6	1.6	1.2
Service New Brunswick	---	41.7	36.4
Supply and Services	88.6	87.4	88.1
	<u>\$ 227.3</u>	<u>\$ 220.2</u>	<u>\$ 209.8</u>