



Public Accounts

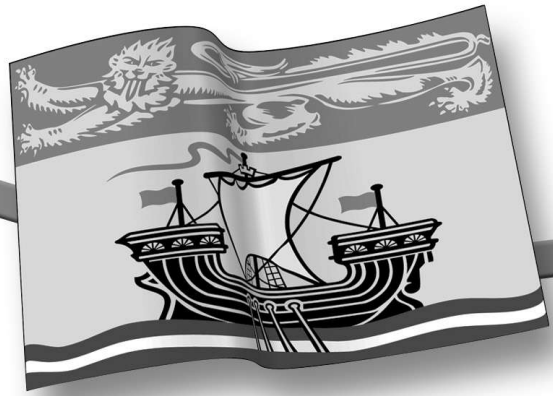
for the fiscal year ended 31 March

2001

Volume 1

Financial Statements

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



Public Accounts

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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 2001.

I am, Your Honour,

PETER L. MESHEAU
Minister of Finance

Fredericton, New Brunswick
25 October 2001

**The Honourable Peter L. Mesheau
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 2001.

Respectfully submitted,

Mike Ferguson, C.A.
Comptroller

Fredericton, New Brunswick
25 October 2001

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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).

Current year departmental expenditures are reported by component and by primary type of expenditures. Unlike reporting in previous years, no budget is reported for expenditure by primary, and no prior year comparative figures are shown. This is due to: no budget was approved by primary; and comparative primary figures were not readily available due to massive reorganization of government departments.

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 2000 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

12 September 2001

**2000-2001
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 2000-2001 and either the 2000-2001 budget or actual results for 1999-2000.

BUDGETARY REVENUE

PROVINCIAL SOURCES

Taxes on Consumption

Taxes on consumption were \$26.5 million higher than budget. This was mainly due to Harmonized Sales Tax revenues being \$24.2 million higher than forecast at budget time as a result of revised federal estimates of New Brunswick's portion of the harmonized sales tax.

Taxes on consumption were \$65.5 million higher than in 1999-2000 mainly due to Harmonized Sales Tax revenues being \$62.5 million higher as a result of revised Federal in-year and prior year estimates.

Taxes on Property

Taxes on property were \$24.7 million higher than budget. Provincial Property Tax revenues were higher than budget mainly due to property assessments and interest earnings being higher than anticipated at budget time.

Taxes on Income

Taxes on income were \$64.9 million higher than budget mainly due to personal income tax revenue being \$49.0 million higher than expected. The increased personal income tax revenue was mostly due to federal re-estimates of New Brunswick's payment stream for the 2000 and 2001 taxation years, and to a positive prior year adjustment of \$17.5 million in respect of the 1999 taxation year.

Taxes on income were \$46.7 million higher than in 1999-00 mainly as a result of increased corporate income tax revenue. Corporate income tax revenue was higher by \$37.6 million due to growth in New Brunswick's corporate taxable income, and also, due to a negative prior year adjustment in 1999-00.

Investment Income

Investment income was \$24.1 million lower than budget. This was mainly the result of N.B. Power recording a net loss of \$12.0 million, compared to the budget forecast profit of \$20.0 million and the WHSCC recording a net loss of \$19.9 million compared to the budgeted net loss of \$1.6 million. These losses were partially offset by increased lottery and liquor revenues.

Investment income was \$54.0 million lower than in 1999-00, mainly due to N.B. Power and WHSCC each recording a net profit in 1999-00 and a net loss in 2000-01.

Other Provincial Revenue

Other Provincial Revenues were \$60.2 million higher than estimated at budget mainly due to the consolidation of government organizations. Revenues from some government entities, such as Service New Brunswick, 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 \$34.8 million higher than in 1999-00 as a result of increased funding from the federal government.

Fiscal Equalization Payments

Equalization revenues were \$1.6 million lower than 1999-00 primarily due to negative prior year adjustments, which occurred in 2000-01. Most notable among those negative prior year adjustments is a \$50.2 million reduction as a result of the Equalization Program ceiling imposed on entitlements. In-year equalization payments increased from those in 1999-00 due to the widening of fiscal disparities as measured by the equalization formula.

Harmonization Transitional Payments

Harmonization Transitional Payments were \$32.0 million lower than in 1999-00. The 2000-01 payment of \$34 million represents the final installment of the initial \$364 million in transitional funding New Brunswick received when it harmonized its sales tax with the federal *Goods and Services Tax*.

BUDGETARY EXPENDITURE

Education

Education expenses were \$47.0 million below budget, primarily because pension interest expense was less than anticipated, and amortization of experience gains was higher than anticipated.

Education expenditures were \$24.5 million higher than 1999-00 because of general increases and increased bursary expenditures. The increased bursary expenditures were offset by revenue from the Canada Millennium Scholarship Foundation.

Health

Health expenditures were \$58.1 million higher than budget and \$62.4 million higher than 1999-00 because of increased costs in programs such as hospital services, medicare and prescription drugs.

Family and Community Services

Family and Community Services expenditures were \$17.2 million lower than budget mainly because of reduced caseloads in Transitional Assistance and Interim Assistance programs.

Protection Services

Protection Services expenditures were \$5.2 million higher than budget primarily because of increased law enforcement and community programming costs.

Economic Development

Economic Development expenditures were \$2.5 million lower than budget because of less than anticipated uptake in development programs of the Regional Development Corporation.

Economic Development Expenditures were lower than 1999-00 by \$52.2 million primarily because some programs were reflected in Economic Development in 1999-2000, but were mainly reflected in the Employment Development and Labor and Resource Sectors in 2000-01. Also, because of reduced spending in the development programs of the Regional Development Corporation, Investment and Export's Strategic Assistance program and Business New Brunswick's Small Business and Industrial Development Program.

Resource Sector

Resource Sector expenditures were \$18.9 million higher than budget. Additional expenditures were primarily due to \$14.9 million for the Integrated Management Plan for Infectious Salmon Anemia and \$4.2 for expenditures associated with the Government's response to the NB Agriculture Coalition.

Resource Sector expenditures were lower than 1999-00 by \$27.9 million, mainly due to a one time expenditure for the province's commitment to Regional Solid Waste Commission and a change to community based programming in the Environmental Trust fund.

Transportation

Transportation expenditures were \$3.9 million higher than budget due to the level of winter maintenance expenditures, which are dependent on the length and severity of the winter.

Transportation expenditures were \$116.9 million lower than 1999-00 mainly due to a decreased capital spending.

Central Government

Central Government expenditures were \$5.1 million less than budget. Savings mainly were from \$15.7 million in General Government's Supplementary Funding Provision and \$10.5 million in lower Employee Benefit Plan expenses. Central Government includes expenditures, of \$23.5 million, from some government entities, such as Service New Brunswick, that 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. These consolidated expenditures are more than offset by additional revenues from consolidation of the government's year end financial statements.

Central Government expenditures were \$12.2 million higher than 1999-00 mainly due to increased employee benefit costs.

Service of the Public Debt

Service of the Public Debt expenditures were \$14.3 million higher than budget as the increase in foreign exchange expense from the weaker than forecast Canadian dollar outweighed the lower than budgeted interest expense.

Service of the Public Debt was \$26.6 million higher than in 1999-00 due mainly to an increase in foreign exchange expense from the weaker Canadian dollar.

FISCAL STABILIZATION FUND

For the year ending 31 March 2001, an amount of \$100.0 million was transferred from the Consolidated Fund to the Fiscal Stabilization Fund, pursuant to the Province's Fiscal Stabilization Fund Act.



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 2001 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 Canadian 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 2001 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.

Daryl C. Wilson, FCA
Auditor General

10 August 2001

Office of the Auditor General
P.O. Box 758
Fredericton, New Brunswick E3B 5B4

STATEMENT OF FINANCIAL POSITION
as at 31 March 2001

Schedule	(millions)	
	2001	2000
ASSETS		
1	\$ 263.2	\$ 241.4
2	376.4	347.7
3	27.4	24.6
4	86.6	89.1
	182.8	110.1
5	154.2	141.3
6	54.2	85.5
	68.4	680.9
Total Assets	<u>\$ 1,213.2</u>	<u>\$ 1,720.6</u>
LIABILITIES		
7	\$ 484.8	\$ 455.5
8	317.3	348.2
9	709.9	674.5
10	30.9	16.2
11	325.2	340.8
12	34.0	32.5
13	900.0	900.7
	511.0	1,276.9
	<u>3,313.1</u>	<u>4,045.3</u>
	10,717.3	10,338.8
	<u>(3,061.1)</u>	<u>(2,930.3)</u>
	7,656.2	7,408.5
	<u>(3,130.2)</u>	<u>(2,925.5)</u>
	<u>4,526.0</u>	<u>4,483.0</u>
Total Liabilities	7,839.1	8,528.3
NET DEBT	<u>(6,625.9)</u>	<u>(6,807.7)</u>
	<u>\$ 1,213.2</u>	<u>\$ 1,720.6</u>

Contingent Liabilities - See Note 15

Commitments - See Note 16

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 2001

Schedule	2001 Budget	(millions) 2001 Actual	2000 Actual
REVENUE			
Provincial Sources			
14	\$ 863.1	\$ 889.6	\$ 824.1
	250.0	274.7	258.1
15	1,027.0	1,091.9	1,045.2
16	70.0	69.2	65.8
17	99.0	106.6	105.4
18	65.5	66.5	62.5
19	219.0	194.9	248.9
20	132.6	192.8	198.2
	220.0	220.0	203.7
	2,946.2	3,106.2	3,011.9
Federal Sources			
	401.0	404.0	369.2
	1,127.0	1,150.5	1,152.1
	34.0	34.0	66.0
	1.9	1.9	1.9
21	201.1	204.4	237.1
	1,765.0	1,794.8	1,826.3
	4,711.2	4,901.0	4,838.2
EXPENDITURE			
22	945.0	898.0	873.5
23	1,232.2	1,290.3	1,227.9
24	668.0	650.8	650.3
25	127.9	133.1	134.0
26	138.5	136.0	188.2
27	228.6	229.3	213.9
28	135.5	154.4	182.3
29	235.0	238.9	355.8
30	356.2	351.1	338.9
	623.0	637.3	610.7
	---	---	54.6
	4,689.9	4,719.2	4,830.1
SURPLUS FROM OPERATIONS BEFORE UNUSUAL ITEM			
	21.3	181.8	8.1
UNUSUAL ITEM			
Fredericton to Moncton Highway	---	---	(903.8)
SURPLUS (DEFICIT) RESULTING IN (INCREASE)			
DECREASE IN NET DEBT FOR THE YEAR	\$ 21.3	\$ 181.8	\$ (895.7)
Under legislation, a portion of the surplus for the year has been set aside in a Fiscal Stabilization Fund for fiscal policy purposes.			
Surplus (Deficit) for the year	\$ 21.3	\$ 181.8	
Allocation to Fiscal Stabilization Fund (Note 5)	---	(100.0)	
Surplus (Deficit) for fiscal policy purposes	\$ 21.3	\$ 81.8	

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

STATEMENT OF CASH FLOW
for the fiscal year ended 31 March 2001

	(millions)	
	2001	2000
OPERATING ACTIVITIES		
(Increase) Decrease in Net Debt for the Year	\$ 181.8	\$ (895.7)
Non Cash Items		
Amortization of Premiums, Discounts and Issue Expenses	7.9	7.6
Foreign Exchange Expense	44.5	27.2
Increase in Allowance for Doubtful Accounts	65.3	46.5
Sinking Fund Earnings	(220.0)	(203.7)
Actual Losses Due to Foreign Exchange	(20.6)	(14.8)
Decrease in Pension Liability (Note 14)	(153.4)	(176.7)
Increase (Decrease) in Deferred Revenue	(15.6)	0.1
Capital Asset Acquisitions Charged to Operations	154.7	1,160.3
Proceeds from Disposal of Capital Assets	(2.1)	(3.0)
Increase in Working Capital (Note 19)	(75.8)	(13.1)
Net Cash Used in Operating Activities	(33.3)	(65.3)
INVESTING ACTIVITIES		
Purchase of Capital Assets	(154.7)	(1,160.3)
Proceeds from Disposal of Capital Assets	2.1	3.0
Increase in Investments, Loans and Advances	(4.0)	(55.8)
Net Cash Used in Investing Activities	(156.6)	(1,213.1)
FINANCING ACTIVITIES		
Proceeds from Issuance of Funded Debt	648.0	576.1
Received from Sinking Fund for Redemption of Debentures and Payment of Exchange	128.0	78.8
Increase (Decrease) in Obligations under Capital Leases	(0.7)	871.5
Sinking Fund Instalments	(112.7)	(107.4)
Serial Redemptions and Capital Loan Repayments	---	(1.2)
Funded Debt Matured	(502.0)	(313.8)
Net Cash From Financing Activities	160.6	1,104.0
DECREASE IN CASH POSITION DURING YEAR	(29.3)	(174.4)
CASH POSITION - BEGINNING OF YEAR	(455.5)	(281.1)
CASH POSITION - END OF YEAR	\$ (484.8)	\$ (455.5)
CASH REPRESENTED BY		
Bank Advances and Short Term Borrowing	\$ (484.8)	\$ (455.5)

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

STATEMENT OF NET DEBT
for the fiscal year ended 31 March 2001

	(millions)	
	2001	2000
NET DEBT - BEGINNING OF YEAR	\$ (6,807.7)	\$ (5,912.0)
SURPLUS (DEFICIT) RESULTING IN (INCREASE) DECREASE IN NET DEBT FOR THE YEAR	<u>181.8</u>	<u>(895.7)</u>
NET DEBT - END OF YEAR	<u><u>\$ (6,625.9)</u></u>	<u><u>\$ (6,807.7)</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

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, the Fiscal Stabilization 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 10 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 Results. 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 2001

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 to exclude 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 Public Libraries Foundation;
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 7 May 2001.

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

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 13 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 2001 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 2001, a supplement to the Canada Health and Social Transfer of \$60.4 million was received from Canada. This is being recognized as revenue on a straight-line basis over four years. A similar supplement of \$85.8 million was received during the year ended 31 March 2000 and 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 2001 was \$65.3 million (\$46.5 million 2000).

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

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 18 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

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.

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 2001

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>2001 Budget</u>	<u>2001 Actual</u>	<u>2000 Actual</u>
Agriculture, Fisheries and Aquaculture	\$ 3.6	\$ 9.2	\$ 10.2
Business New Brunswick	12.4	13.8	14.9
Education	20.0	19.2	20.8
Environment and Local Government	1.2	1.4	1.3
Family and Community Services	64.0	61.5	64.3
Finance	3,842.5	3,996.2	3,846.3
General Government	---	---	0.1
Health and Wellness	30.8	33.6	32.2
Intergovernmental Affairs	---	---	0.1
Investment and Exports	0.4	0.7	---
Justice	37.6	42.1	39.0
Maritime Provinces Higher Education Commission	---	1.2	1.2
Natural Resources and Energy	78.3	78.8	82.6
Office of the Comptroller	0.1	0.1	0.1
Other Agencies	117.7	78.4	135.1
Public Safety	89.2	94.3	94.8
Regional Development Corporation	16.0	11.4	13.5
Supply and Services	1.2	1.7	1.7
Training and Employment Development	93.8	98.9	90.2
Transportation	5.0	4.7	4.9
Total Ordinary Revenue	<u>4,413.8</u>	<u>4,547.2</u>	<u>4,453.3</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

<u>Ordinary Expenditure by Department</u>	(millions)		
	<u>2001</u> <u>Budget</u>	<u>2001</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>
Agriculture, Fisheries and Aquaculture	\$ 21.8	\$ 40.8	\$ 40.1
Business New Brunswick	28.9	27.4	33.4
Education	732.8	730.3	716.6
Environment and Local Government	45.7	45.7	42.7
Executive Council Office	3.7	3.4	3.2
Family and Community Services	659.7	644.4	647.2
Finance	90.9	90.3	92.5
General Government	156.5	73.3	107.8
Health and Wellness	1,222.5	1,280.1	1,203.2
Intergovernmental Affairs	1.7	1.5	2.6
Investment and Exports	42.8	47.3	51.9
Justice	32.9	32.9	33.5
Legislative Assembly	12.7	12.8	16.6
Maritime Provinces Higher Education Commission	164.4	164.2	160.9
Natural Resources and Energy	85.7	81.0	79.6
Office of the Comptroller	4.9	4.7	4.8
Office of the Premier	1.2	1.2	1.6
Public Safety	83.3	87.1	87.1
Regional Development Corporation	37.2	30.5	52.4
Service of the Public Debt	623.0	637.3	610.7
Supply and Services	79.7	81.4	81.5
Training and Employment Development	205.8	205.7	202.2
Transportation	<u>134.6</u>	<u>139.4</u>	<u>137.0</u>
Total Ordinary Expenditure	<u>4,472.4</u>	<u>4,462.7</u>	<u>4,409.1</u>
Surplus (Deficit) on Ordinary Account	<u>\$ (58.6)</u>	<u>\$ 84.5</u>	<u>\$ 44.2</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 2001

<u>Capital Recoveries by Department</u>	2001	(millions)	2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Business New Brunswick	\$ 2.0	\$ 0.7	\$ 1.9
Natural Resources and Energy	0.1	0.1	0.4
Public Safety	---	---	0.4
Regional Development Corporation	1.3	0.5	6.6
Transportation	<u>8.0</u>	<u>9.9</u>	<u>33.7</u>
Total Capital Recoveries	<u>11.4</u>	<u>11.2</u>	<u>43.0</u>
 <u>Capital Expenditure by Department</u>			
Agriculture, Fisheries and Aquaculture	0.3	0.2	0.2
Business New Brunswick	0.5	0.5	3.4
Education	1.0	1.0	0.9
Environment and Local Government	3.8	3.7	14.7
Family and Community Services	---	---	0.7
Health and Wellness	2.5	4.4	9.4
Natural Resources and Energy	---	1.1	---
Regional Development Corporation	4.6	3.8	8.2
Supply and Services	44.5	44.4	52.3
Transportation	<u>94.2</u>	<u>94.0</u>	<u>206.6</u>
Total Capital Expenditure	<u>151.4</u>	<u>153.1</u>	<u>296.4</u>
Net Capital Expenditure	<u>\$ 140.0</u>	<u>\$ 141.9</u>	<u>\$ 253.4</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

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>	2001 <u>Budget</u>	(millions) 2001 <u>Actual</u>	2000 <u>Actual</u>
Education	\$ 9.2	\$ 15.0	\$ 8.7
Environment and Local Government	4.5	4.9	15.3
Family and Community Services	2.9	6.7	6.2
Finance	0.6	1.5	0.5
Health and Wellness	1.8	3.4	2.2
Justice	0.2	0.4	0.4
Natural Resources and Energy	1.2	1.4	1.4
Public Safety	2.2	2.1	2.5
Supply and Services	4.3	6.0	3.9
Training and Employment Development	<u>---</u>	<u>0.1</u>	<u>1.7</u>
Total Special Purpose Revenue	<u>26.9</u>	<u>41.5</u>	<u>42.8</u>
 <u>Special Purpose Expenditure by Department</u>			
Education	8.8	16.4	8.7
Environment and Local Government	4.5	4.9	15.7
Family and Community Services	1.5	0.3	0.8
Finance	0.1	5.1	0.1
Health and Wellness	1.8	1.7	2.4
Justice	0.3	0.4	0.4
Natural Resources and Energy	1.1	1.0	1.0
Public Safety	2.3	2.2	2.2
Supply and Services	4.6	2.7	3.0
Training and Employment Development	<u>---</u>	<u>0.1</u>	<u>1.2</u>
Total Special Purpose Expenditure	<u>25.0</u>	<u>34.8</u>	<u>35.5</u>
Surplus on Special Purpose Account	<u>\$ 1.9</u>	<u>\$ 6.7</u>	<u>\$ 7.3</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

d) 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 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.

	(millions)		
	2001	2001	2000
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>Revenue by Special Operating Agency</u>			
Mactaquac Golf Course	\$ 0.9	\$ 0.9	\$ 0.8
New Brunswick Community College	80.0	92.4	87.6
New Brunswick Safety Code Services	3.2	3.6	3.8
Regional Development Corporation	---	7.0	20.3
Vehicle Management	<u>63.1</u>	<u>66.2</u>	<u>63.4</u>
Total Special Operating Agency Revenue	<u>147.2</u>	<u>170.1</u>	<u>175.9</u>
<u>Expenditure by Special Operating Agency</u>			
Mactaquac Golf Course	0.7	0.5	0.6
New Brunswick Community College	82.1	91.5	84.9
New Brunswick Safety Code Services	3.2	3.5	3.3
Regional Development Corporation	---	3.4	23.5
Vehicle Management	<u>63.1</u>	<u>65.2</u>	<u>64.4</u>
Total Special Operating Agency Expenditure	<u>149.1</u>	<u>164.1</u>	<u>176.7</u>
Surplus (Deficit) on Special Operating Agency Account	<u>\$ (1.9)</u>	<u>\$ 6.0</u>	<u>\$ (0.8)</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

e) 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 2001, total earnings were \$242.7 million (\$223.5 million in 2000), of which \$22.7 million was recognized by the New Brunswick Power Corporation (\$19.8 million in 2000).

	2001	(millions)	
	<u>Budget</u>	<u>2001</u>	<u>2000</u>
		<u>Actual</u>	<u>Actual</u>
Sinking Fund Earnings	\$ 220.0	\$ 220.0	\$ 203.7

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)	
	2001	2000
	<u>Actual</u>	<u>Actual</u>
<u>Revenue Consolidation Adjustments</u>		
Algonquin Properties Limited	\$ 8.6	\$ 7.6
Forest Protection Limited	3.8	20.7
Kingsbrae Horticultural Garden Inc.	---	0.6
N.B. Agriexport Inc.	0.1	0.4
New Brunswick Highway Corporation	4.6	916.9
New Brunswick Investment Management Corporation	5.6	4.6
Service New Brunswick	<u>42.9</u>	<u>40.0</u>
	<u>65.6</u>	<u>990.8</u>
<u>Expenditure Consolidation Adjustments</u>		
Algonquin Properties Limited	6.0	7.9
Forest Protection Limited	3.4	11.7
Kingsbrae Horticultural Garden Inc.	---	0.6
N.B. Agriexport Inc.	0.3	0.3
New Brunswick Highway Corporation	4.6	916.9
New Brunswick Investment Management Corporation	5.6	4.6
Service New Brunswick	<u>39.2</u>	<u>41.7</u>
	<u>59.1</u>	<u>983.7</u>
Net Revenue on Consolidation	<u>\$ 6.5</u>	<u>\$ 7.1</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

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)			
	2001		2000	
	<u>Revenue</u>	<u>Expenditure</u>	<u>Revenue</u>	<u>Expenditure</u>
Ordinary Account	\$ 4,547.2	\$ 4,462.7	\$ 4,453.3	\$ 4,409.1
Capital Account	11.2	153.1	43.0	296.4
Special Purpose Account	41.5	34.8	42.8	35.5
Sinking Fund Earnings	220.0	---	203.7	---
Special Operating Agencies	170.1	164.1	175.9	176.7
Revenues Netted Against Expenditure	17.6	17.6	14.0	14.0
Elimination of Inter-account Transactions	(172.2)	(172.2)	(1,085.3)	(1,085.3)
Adjustments on Consolidation	<u>65.6</u>	<u>59.1</u>	<u>990.8</u>	<u>983.7</u>
	<u>\$ 4,901.0</u>	<u>\$ 4,719.2</u>	<u>\$ 4,838.2</u>	<u>\$ 4,830.1</u>
Unusual Item				
Fredericton to Moncton Highway	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 903.8</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 2000 and ending 31 March 2004.

That Act stipulates that any change made within the last fifteen months of the period from 1 April 2000 to 31 March 2004, or after completion of that period, 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 difference for the period ending 31 March 2001 between revenue and expenditure is as follows:

	(millions)
	2001
	<u>Actual</u>
Revenue	\$ 4,901.0
Expenditure	<u>4,719.2</u>
Difference - End of Year	<u>\$ 181.8</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

NOTE 5 FISCAL STABILIZATION FUND

The Province's Fiscal Stabilization Fund Act establishes a fund separate from the Consolidated Fund, for the purpose of assisting in stabilizing the fiscal position of the Province of New Brunswick from year to year and to improve long term fiscal planning.

For the year ending 31 March 2001, an amount of \$100.0 million was transferred from the Consolidated Fund to the Fiscal Stabilization Fund. Any such transfers into the Fiscal Stabilization Fund are authorized by an appropriation in accordance with the Financial Administration Act. Transfers out of the Fund are made with the approval of the Lieutenant-Governor-in-Council. No transfers out of the Stabilization Fund were made during the year. The Fund has been included in these financial statements on a consolidated basis.

NOTE 6 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 2001, and the actual results for the year ended 31 March 2000 are as follows:

	2001	(millions)	
	<u>Budget</u>	2001	2000
		<u>Actual</u>	<u>Actual</u>
<u>Disbursements</u>			
Agricultural Development Act	\$ 5.8	\$ 3.1	\$ 4.2
Algonquin Properties Limited	---	---	1.0
Economic Development Act	45.0	39.2	28.9
Fisheries Development Act	8.0	4.5	5.1
Greater Moncton Area Transitional Policing	---	---	0.2
Housing	7.1	6.8	6.4
Nursing Home	---	2.8	---
Veterans' Affairs	---	1.3	---
Other	<u>1.6</u>	<u>---</u>	<u>---</u>
Total Disbursements	<u>67.5</u>	<u>57.7</u>	<u>45.8</u>
<u>Recoveries</u>			
Agricultural Development Act	1.8	1.9	1.3
Economic Development Act	6.0	18.8	13.0
Finance	0.4	0.4	0.7
Fisheries Development Act	3.9	4.4	4.4
Greater Moncton Area Transitional Policing	---	0.3	0.7
Health	---	---	0.6
Housing	2.5	3.3	3.0
Other	<u>1.1</u>	<u>0.1</u>	<u>0.1</u>
Total Recoveries	<u>15.7</u>	<u>29.2</u>	<u>23.8</u>
Net Loans and Advances	<u>\$ 51.8</u>	<u>\$ 28.5</u>	<u>\$ 22.0</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

NOTE 7 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 2001, the accumulated surplus in all Special Purpose Accounts totaled \$56.4 million (\$49.7 million 2000). This total is recorded as a reduction in net debt.

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

	2000 Accumulated Surplus	(millions) 2001		Accumulated Surplus
		Revenue	Expenditure	
Education				
Arts Development Trust Fund	\$ 1.3	\$ 0.8	\$ 1.1	\$ 1.0
Canada Student Loans	2.0	8.2	9.8	0.4
Fred Magee Account	0.2	---	---	0.2
Library Account	0.1	0.1	---	0.2
Scholarship and Trusts	---	1.1	1.1	---
Self Sustaining Accounts	2.1	4.3	3.9	2.5
Sport Development Trust Fund	0.1	0.5	0.5	0.1
Environment and Local Government				
Environmental Trust Fund	1.4	4.9	4.9	1.4
Family and Community Services				
CMHC Funding	24.3	6.7	0.3	30.7
Finance				
Group Insurance Trust Fund	6.4	1.4	5.0	2.8
Strait Crossing Finance Inc.	---	0.1	0.1	---
Health and Wellness				
Hospital Liability Protection Account	0.1	2.7	1.0	1.8
Medical Research Assistance Account	3.2	0.2	0.2	3.2
Third Party Contributions	---	0.2	0.2	---
WHSCC Compensation	---	0.3	0.3	---
Justice				
Family Support	0.1	0.4	0.4	0.1
Natural Resources and Energy				
Wildlife Conservation	1.1	1.4	1.0	1.5
Public Safety				
Municipal Police Assistance Account	0.1	0.6	0.6	0.1
National Safety Code Agreement	0.4	---	0.2	0.2
Suspended Driver – Alcohol Re-education Program	0.1	0.2	0.2	0.1
Victim Services Account	0.6	1.3	1.2	0.7
Supply and Services				
Land Management Account	3.0	6.0	2.7	6.3
Public/Private Partnership Projects	0.2	---	---	0.2
Renovation of Old Government House	0.3	---	---	0.3
Training and Employment Development				
Johann Wordel Account	0.1	---	---	0.1
New Brunswick Community College Scholarship Account	0.2	---	---	0.2
Recoverable Projects	2.3	0.1	0.1	2.3
	<u>\$ 49.7</u>	<u>\$ 41.5</u>	<u>\$ 34.8</u>	<u>\$ 56.4</u>

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

NOTE 8 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 with permission from Board of Management be spent in future years. In the fiscal year ended 31 March 2001, Board of Management reduced the accumulated surplus as reported at 31 March 2000 for the Regional Development Corporation by \$2.2 million and for New Brunswick Community College by \$7.3 million.

At 31 March 2001, the accumulated surplus in all Special Operating Agency accounts totaled \$12.4 million (\$6.4 million 2000). This total is recorded as a reduction in net debt. The following table summarizes the change in the accumulated Special Operating Agency surplus during the 2001 fiscal year.

	2000 Accumulated <u>Surplus</u>	(millions) 2001		Accumulated <u>Surplus</u>
		<u>Revenue</u>	<u>Expenditure</u>	
Business New Brunswick				
Mactaquac Golf Course	\$ 0.2	\$ 0.9	\$ 0.5	\$ 0.6
Public Safety				
New Brunswick Safety Code Services	0.7	3.6	3.5	0.8
Regional Development Corporation				
Regional Development Corporation	0.2	7.0	3.4	3.8
Training and Employment Development				
New Brunswick Community College	4.4	92.4	91.5	5.3
Transportation				
Vehicle Management	<u>0.9</u>	<u>66.2</u>	<u>65.2</u>	<u>1.9</u>
	<u>\$ 6.4</u>	<u>\$ 170.1</u>	<u>\$ 164.1</u>	<u>\$ 12.4</u>

NOTE 9 OBLIGATIONS UNDER CAPITAL LEASES

The total future principal and interest payments for capital leases amount to \$1,990.0 million (\$2,003.3 million 2000). That amount includes \$900.0 million (\$900.7 million 2000) in principal and \$1,090.0 million (\$1,102.6 million 2000) in interest.

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

<u>Fiscal Year</u>	(millions)
2001-2002	\$ 12.5
2002-2003	12.7
2003-2004	45.6
2004-2005	77.7
2005-2006	77.8

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

NOTE 10 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	31-12-00
Lotteries Commission of New Brunswick (Lotteries)	31-03-01
New Brunswick Liquor Corporation (Liquor)	31-03-01
New Brunswick Municipal Finance Corporation (Municipal Finance)	31-12-00
New Brunswick Power Corporation (Power)	31-03-01
Workplace Health, Safety and Compensation Commission (WHSCC)	31-12-00

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

	(millions)						
	Algonquin Golf			Municipal			
	<u>Limited</u>	<u>Lotteries</u>	<u>Liquor</u>	<u>Finance</u>	<u>Power</u>	<u>WHSCC</u>	<u>Total</u>
<u>Assets</u>							
Cash and Equivalents	\$ 0.3	\$ ---	\$ 0.2	\$ ---	\$ 57.0	\$ 559.4	\$ 616.9
Receivables	---	1.1	1.3	6.9	174.0	91.1	274.4
Prepays	---	---	0.4	---	4.0	---	4.4
Inventories	---	---	13.6	---	78.0	---	91.6
Deferred Charges	---	---	3.0	---	251.0	---	254.0
Fixed Assets	7.3	---	10.1	---	2,906.0	9.5	2,932.9
Other Assets	---	---	---	351.5	---	0.4	351.9
Total Assets	<u>\$ 7.6</u>	<u>\$ 1.1</u>	<u>\$ 28.6</u>	<u>\$ 358.4</u>	<u>\$3,470.0</u>	<u>\$ 660.4</u>	<u>\$ 4,526.1</u>
<u>Liabilities</u>							
Short Term							
Indebtedness	\$ ---	\$ ---	\$ 1.2	\$ 2.4	\$ 102.0	\$ ---	\$ 105.6
Payables	0.6	---	8.5	4.3	237.0	8.4	258.8
Reserves	2.1	---	---	---	254.0	---	256.1
Long Term Debt	5.1	---	5.9	350.9	105.2	622.9	1,090.0
Debt Funded by the Province	---	---	---	---	2,763.8	---	2,763.8
Total Liabilities	<u>7.8</u>	<u>---</u>	<u>15.6</u>	<u>357.6</u>	<u>3,462.0</u>	<u>631.3</u>	<u>4,474.3</u>
<u>Equity</u>							
Retained Earnings	<u>(0.2)</u>	<u>1.1</u>	<u>13.0</u>	<u>0.8</u>	<u>8.0</u>	<u>29.1</u>	<u>51.8</u>
Total Equity	<u>(0.2)</u>	<u>1.1</u>	<u>13.0</u>	<u>0.8</u>	<u>8.0</u>	<u>29.1</u>	<u>51.8</u>
Total Liabilities and Equity	<u>\$ 7.6</u>	<u>\$ 1.1</u>	<u>\$ 28.6</u>	<u>\$ 358.4</u>	<u>\$3,470.0</u>	<u>\$ 660.4</u>	<u>\$ 4,526.1</u>
<u>Net Income</u>							
Revenue	\$ 0.9	\$ 90.2	\$ 277.3	\$ 24.1	\$1,309.0	\$ 178.5	\$ 1,880.0
Expenses	(1.0)	(0.5)	(174.3)	(0.1)	(1,015.0)	(198.4)	(1,389.3)
Interest Expense	<u>(0.2)</u>	<u>---</u>	<u>---</u>	<u>(23.9)</u>	<u>(306.0)</u>	<u>---</u>	<u>(330.1)</u>
Net Income	<u>\$ (0.3)</u>	<u>\$ 89.7</u>	<u>\$ 103.0</u>	<u>\$ 0.1</u>	<u>\$ (12.0)</u>	<u>\$ (19.9)</u>	<u>\$ 160.6</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 2001

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 first year of operations was 2000, the course opened on 1 July 2000.

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 11 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
	2000	Granted	During the	2001
		During the	Year	
		Year	Year	
Loan Act 1997	\$ 6.9	\$ ---	\$ 6.9	\$ ---
Loan Act 1998	315.2	---	315.2	---
Loan Act 1999	480.0	---	57.6	422.4
Loan Act 2000	<u>---</u>	<u>495.0</u>	<u>---</u>	<u>495.0</u>
	<u>\$ 802.1</u>	<u>\$ 495.0</u>	<u>\$ 379.7</u>	<u>\$ 917.4</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 2001, bank advances and short term borrowing amounted to \$484.8 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 2000, long term debt owed by the corporation was \$350.9 million.

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 12 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>
2001-2002	5.0	Yen 1,128.0	\$ 14.2	\$ ---	
	9.3-17.5	CAN \$ 575.6	<u>575.6</u>	<u>(250.0)</u>	
			<u>589.8</u>	<u>(250.0)</u>	\$ 339.8
2002-2003	7.1	US \$ 257.0	405.4	(189.3)	
	5.0	Yen 1,128.0	14.2	---	
	8.0-16.5	CAN \$ 823.8	<u>823.8</u>	<u>(500.0)</u>	
			<u>1,243.4</u>	<u>(689.3)</u>	554.1
2003-2004	5.0	Yen 1,128.0	14.2	---	
	7.4-12.1	CAN \$ 330.9	<u>330.9</u>	<u>(100.0)</u>	
			<u>345.1</u>	<u>(100.0)</u>	245.1
2004-2005	7.5-7.6	US \$ 247.5	390.4	---	
	5.0	Yen 1,128.0	14.2	---	
	5.4-14.1	CAN \$ 284.5	<u>284.5</u>	<u>---</u>	
			<u>689.1</u>	<u>---</u>	689.1
2005-2006	6.5	US \$150.0	236.6	---	
	5.0	Yen 1,128.0	14.2	---	
	7.5-12.6	CAN \$446.1	<u>446.1</u>	<u>(200.0)</u>	
			<u>696.9</u>	<u>(200.0)</u>	496.9
2006-2007 & After	6.75-9.8	US \$939.0	1,481.2	(851.8)	
	5.0	Yen 5,232.0	65.6	---	
	5.6	Sfr 100.0	90.8	---	
	5.2-11.1	CAN \$5,515.4	<u>5,515.4</u>	<u>(970.0)</u>	
			<u>7,153.0</u>	<u>(1,821.8)</u>	<u>5,331.2</u>
Funded Debt before Sinking Fund Investments			10,717.3	(3,061.1)	7,656.2
Less: Sinking Fund Investments			<u>3,427.5</u>	<u>(297.3)</u>	<u>3,130.2</u>
Funded Debt Outstanding			<u>\$ 7,289.8</u>	<u>\$(2,763.8)</u>	<u>\$ 4,526.0</u>

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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 2001, the equity of the General Sinking Fund accumulated for the repayment of Provincial Debt was \$3,130.2 million (\$2,925.5 million 2000). Some of the assets of this Fund are bonds and debentures issued or guaranteed by the Province of New Brunswick. The provincial net book value of these investments at 31 March 2001 was \$1,402.5 million (\$1,467.3 million 2000).

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 10 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.

<u>Fiscal Year of Maturity</u>	<u>Amount Payable In Original Currency</u>	<u>Amount Payable Per Financial Swap Agreement</u>	<u>Canadian Dollar Equivalent</u>
		(millions) 2001	
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	74.9
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>90.8</u>
			<u>\$423.5</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>	<u>(millions)</u>
2001-2002	\$ 115.4
2002-2003	111.7
2003-2004	107.7
2004-2005	106.8
2005-2006	97.6

NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13 DEBT CHARGES

The total cost of interest, exchange, amortization and related expenses is \$363.7 million (\$397.9 million 2000), which consists of:

	(millions)	
	<u>2001</u>	<u>2000</u>
Interest	\$ 851.1	\$ 833.4
Interest on Capital Leases	2.5	2.5
Foreign Exchange Expense	44.5	27.2
Other Expenses	<u>1.2</u>	<u>8.5</u>
	899.3	871.6
Interest Recovery for Debt Incurred for the New Brunswick Power Corporation	<u>(262.0)</u>	<u>(260.9)</u>
Service of the Public Debt	637.3	610.7
Sinking Fund Earnings	<u>(220.0)</u>	<u>(203.7)</u>
Debt Charges before Pension Interest	417.3	407.0
Pension Interest Earned	<u>(53.6)</u>	<u>(9.1)</u>
	<u>\$ 363.7</u>	<u>\$ 397.9</u>

NOTE 14 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, at age 65 with 5 years of pensionable service or at age 60 with 20 years pensionable service. Reduced benefits are available when the age and service total is 80, 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
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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 1.9% of average salary during the highest paid continuous 5 years, multiplied by the number of years pensionable service prior to 1 January 2000 plus 1.4% of average salary during the highest paid continuous 5 years, multiplied by the number of years pensionable service after 31 December 1999.

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 Full-Time CUPE 2745 Employees of New Brunswick School Districts
(Schools - C.U.P.E.)

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, multiplied by the number of years pensionable service prior to 1 January 1997, plus 1.45% of average salary during the highest paid continuous 5 years multiplied by the number of years pensionable service between 1 January 1997 and 1 September 1997, plus 1.3% of average salary during the highest paid continuous 5 years, multiplied by the number of years pensionable service after 31 August 1997.

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 members 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 - C.U.P.E. 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 \$442.6 million (\$596.0 million 2000). 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	01/04/00
Teachers'	01/04/00
Judges'	31/03/92
Members'	01/04/96
Schools - Management	01/01/93
Schools - G.L.T.&S.	01/01/97
Schools - C.U.P.E.	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>2001</u>			<u>2000</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	\$2,865.2	\$2,959.9	\$ (94.7)	\$ 143.5	\$ 48.8	\$ 110.6
Teachers'	2,766.2	2,810.0	(43.8)	271.2	227.4	337.4
Judges'	37.9	21.3	16.6	(0.5)	16.1	16.0
Members'	33.2	---	33.2	---	33.2	32.3
Hospitals - C.U.P.E.	---	49.7	(49.7)	---	(49.7)	(48.9)
Schools - Management	10.3	14.5	(4.2)	---	(4.2)	(3.8)
Schools - G.L.T.& S.	123.4	173.1	(49.7)	48.9	(0.8)	(0.8)
Schools - C.U.P.E.	23.3	34.0	(10.7)	7.2	(3.5)	(3.6)
Early Retirement	123.9	---	123.9	---	123.9	119.3
	<u>5,983.4</u>	<u>6,062.5</u>	<u>(79.1)</u>	<u>470.3</u>	<u>391.2</u>	<u>558.5</u>
Allocated to NB Power	644.4	655.1	(10.7)	(40.7)	(51.4)	(37.5)
	<u>\$5,339.0</u>	<u>\$5,407.4</u>	<u>\$ (68.4)</u>	<u>\$ 511.0</u>	<u>\$ 442.6</u>	<u>\$ 596.0</u>

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The value of assets in all plans exceeds the value of accrued benefits by \$68.4 million at 31 March 2001. 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 \$442.6 million for accounting purposes. The difference of \$511.0 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.

c) Funding

Pursuant to the Public Service Superannuation Act, the Consolidated Fund and certain government agencies were required, in each fiscal year until the benefits under that Act were fully funded as determined by an actuarial valuation, to pay an amount into the Public Service Superannuation Fund that is in addition to the employer contribution for current service costs. An actuarial valuation completed during the year determined the plan was fully funded at 1 April 2000. The additional amounts were not required from the government agencies, however the Consolidated Fund paid \$5.3 million during the fiscal year ended 31 March 2001 prior to receipt of the valuation.

Pursuant to the Teachers' Pension Act, the Province was required, in each fiscal year until the benefits under that Act were fully funded as determined by an actuarial valuation, to pay an amount into the Teachers' Pension Fund in addition to the employer contribution for current service costs. An actuarial valuation completed during the year determined the plan was fully funded at 1 April 2000. Payments of additional amounts ceased on receipt of the valuation. Prior to that, the Province paid an additional amount of \$23.3 million during the fiscal year ended 31 March 2001.

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:

<u>Plan</u>	(millions)						
	<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	\$ 46.7	\$ (38.1)	\$ (36.2)	\$ ---	\$ (27.6)	\$ 34.2	\$ (61.8)
Teachers'	32.0	(31.5)	(58.3)	---	(57.8)	52.2	(110.0)
Judges'	0.9	1.0	---	---	1.9	1.8	0.1
Members'	0.6	2.6	---	---	3.2	2.3	0.9
Hospitals - C.U.P.E.	5.0	(5.8)	---	---	(0.8)	---	(0.8)
Schools - Management	---	(0.4)	---	---	(0.4)	---	(0.4)
Schools - G.L.T.&S.	2.2	(2.9)	(2.9)	5.7	2.1	2.1	---
Schools - C.U.P.E.	0.3	(0.7)	(0.5)	1.4	0.5	0.4	0.1
Ombudsman	0.2	---	---	---	0.2	0.2	---
Hospitals - Certain	9.0	---	---	---	9.0	9.0	---
Part Time	2.5	---	---	---	2.5	2.5	---
Early Retirement	---	9.9	---	---	9.9	5.3	4.6
	99.4	(65.9)	(97.9)	7.1	(57.3)	110.0	(167.3)
Allocated to NB Power	9.5	(12.3)	(3.4)	---	(6.2)	7.7	(13.9)
	<u>\$ 89.9</u>	<u>\$(53.6)</u>	<u>\$(94.5)</u>	<u>\$ 7.1</u>	<u>\$(51.1)</u>	<u>\$102.3</u>	<u>\$(153.4)</u>

Total pension benefits of \$186.5 million were earned by employees during the fiscal year. Employees contributed \$81.9 million toward these benefits. The value of pension benefits charged to agencies was \$14.7 million. The employers' share of pension benefits earned was \$89.9 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
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Plan	Estimated Average Remaining Service Life of Active Contributors (years)	(millions)			
		31 March 2000 Unamortized Experience Gains (Losses)	New Experience Gains (Losses)	Amortization of Experience Gains (Losses)	31 March 2001 Unamortized Experience Gains (Losses)
Public Service	16	\$ 369.0	\$ (388.3)	\$ (19.1)	\$ (38.4)
Teachers'	14	472.8	(368.9)	(34.1)	69.8
Judges'	11	2.9	(3.4)	---	(0.5)
Schools - G.L.T.&S.	13	14.0	12.4	(2.9)	23.5
Schools - C.U.P.E.	16	1.8	2.1	(0.5)	3.4
		860.5	(746.1)	(56.6)	57.8
Allocated to NB Power		68.9	(160.6)	---	(91.7)
		<u>\$ 791.6</u>	<u>\$ (585.5)</u>	<u>\$ (56.6)</u>	<u>\$ 149.5</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 2000 Unamortized Value of Changes to Assumptions	New Changes to Assumptions	Amortization of Changes to Assumptions	31 March 2001 Unamortized Value of Changes to Assumptions
Public Service	16	\$ 199.0	\$ ---	\$ (17.1)	\$ 181.9
Teachers'	14	258.0	(32.4)	(24.2)	201.4
		457.0	(32.4)	(41.3)	383.3
Allocated to NB Power		54.4	---	(3.4)	51.0
		<u>\$ 402.6</u>	<u>\$ (32.4)</u>	<u>\$ (37.9)</u>	<u>\$ 332.3</u>

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g) 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 2001 <u>Valuation Allowance</u>
Schools - G.L.T.&S.	\$ 25.4
Schools - C.U.P.E.	<u>3.8</u>
	<u>\$ 29.2</u>

h) 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 2000 to 2003 and the long term covers the years thereafter.

NOTES TO THE FINANCIAL STATEMENTS
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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	7.90	4.00 plus promotional increase between 0.20 and 1.00	3.50	3.30 and 3.40
Teachers'	7.90	4.00 plus promotional increase between 0.25 and 1.50	3.50	3.20 and 3.40
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 - C.U.P.E.	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	7.90	2.0 to 3.0	2.0 to 3.0	2.0 to 3.0
Teachers'	7.90	2.0 to 3.0	2.0 to 3.0	2.0 to 3.0
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 - C.U.P.E.	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
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i) Member Data

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

Plan	Number of Active Contributors	Number of Pensioners	Average Annual Salary of Contributors	Average Annual Pension
Public Service	18,249	8,616	\$ 44,014	\$ 14,158
Teachers'	9,291	5,812	46,911	23,979
Judges'	26	27	141,492	41,807
Hospitals - C.U.P.E.	4,537	1,718	24,250	6,695
Hospitals – Certain	6,021	720	44,056	12,864
Schools – Management	---	64	---	12,275
Schools - G.L.T.& S.	1,961	958	23,837	6,104
Schools – C.U.P.E.	476	116	20,723	3,679
Members'	55	96	38,076	26,640

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

NOTE 15 CONTINGENT LIABILITIES

a) 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 2001, the total contingent liability in respect of these guarantees was \$166.6 million (\$66.8 million 2000), of which the Province has recognized \$30.9 million as a liability in the Statement of Financial Position (\$16.2 million 2000).

	Authorized Limit	Contingent Liability
	(millions)	
Adult Education and Training Act	\$ 0.3	\$ 0.3
Agricultural Development Act	0.9	0.9
Economic Development Act	37.8	35.9
Employment Development Act	2.0	2.0
Fisheries Development Act	4.1	3.3
Livestock Incentives Act	1.7	1.7
Nursing Homes Act	10.6	10.6
Regional Development Corporation Act	4.3	4.0
Youth Assistance Act	107.9	<u>107.9</u>
		166.6
Less: Allowance for Losses (Schedule 10)		<u>30.9</u>
		<u>\$ 135.7</u>

NOTES TO THE FINANCIAL STATEMENTS
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b) 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 2001 was \$0.5 million (\$0.5 million 2000).

c) 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 16 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 \$308.9 million (\$329.7 million 2000). Minimum annual lease payments in each of the next five years are as follows:

<u>Fiscal Year</u>	<u>(millions)</u>
2001-2002	\$ 37.8
2002-2003	31.5
2003-2004	27.5
2004-2005	25.1
2005-2006	23.2

b) Nursing Homes

The Department of Health and Wellness 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 2001 amounted to approximately \$89.2 million (\$79.2 million 2000). Of the \$89.2 million nursing home debt, the Province has issued guarantees totalling approximately \$10.6 million (\$11.0 million 2000) which is included as a contingent liability.

c) Authorized Capital Projects

The 31 March 2001 estimated amount required to complete authorized major construction projects of schools, hospitals, other buildings, roads and bridges, and to meet capital grant obligations is \$36.6 million (\$36.5 million 2000). 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
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NOTE 17 EXPENDITURE BY PRIMARY CLASSIFICATION

The expenditures by primary classification are as follows:

	(millions)	
	<u>2001</u>	<u>2000</u>
Personal Services	\$ 1,068.3	\$1,083.0
Other Services	397.7	381.1
Materials and Supplies	113.3	109.1
Property and Equipment	142.6	259.1
Contributions, Grants and Subsidies to or on behalf of:		
Hospitals	772.9	726.0
Municipalities and Local Service Districts	145.8	148.6
Individuals	841.4	804.6
Nursing Homes	109.6	109.1
Other	433.4	507.8
Debt and Other Charges	<u>694.2</u>	<u>701.7</u>
	<u>\$4,719.2</u>	<u>\$4,830.1</u>

Unusual Item:

	(millions)	
	<u>2001</u>	<u>2000</u>
Other Services	\$ ---	\$ 31.8
Property and Equipment	<u>---</u>	<u>872.0</u>
	<u>\$ ---</u>	<u>\$ 903.8</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
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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 18 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>2001</u>	<u>2000</u>
<u>Cost Method:</u>		
Margaret R. Lynds Bequest	\$ 0.1	\$ 0.1
Mental Health Trust Fund	0.7	0.7
New Brunswick Power Corporation Sinking Fund	30.4	51.2
Viscount Bennett Bequest	<u>0.2</u>	<u>0.2</u>
	<u>\$ 31.4</u>	<u>\$ 52.2</u>
 <u>Market Value Method:</u>		
Judges' Superannuation Fund	\$ 21.3	\$ 22.0
Pension Plan for the Management Employees of New Brunswick School Districts	14.5	14.2
Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts	173.1	151.5
Pension Plan for Full-Time CUPE 2745 Employees of New Brunswick School Districts	34.0	29.0
Public Service Superannuation Fund	2,959.9	3,178.8
Teachers' Pension Trust Fund	<u>2,810.0</u>	<u>3,019.8</u>
	<u>\$ 6,012.8</u>	<u>\$ 6,415.3</u>

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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2001

NOTE 19 CHANGE IN PROVINCIAL BORROWING

The Province's funded debt issued for Provincial purposes increased \$43.0 million during the year (decreased \$17.8 million in 2000), after deducting the value of the sinking fund. Bank Advances and Short Term Borrowing increased by \$29.3 million (increased \$174.4 million in 2000). Total borrowing was therefore \$72.3 million higher at 31 March 2001 than it was at 31 March 2000.

The following table shows how total borrowing increased \$72.3 million.

	(millions)	
	<u>2001</u>	<u>2000</u>
(Increase) Decrease in Net Debt for the Year	\$ 181.8	\$ (895.7)
Decrease in Pension Liability	(153.4)	(176.7)
Increase (Decrease) in Deferred Revenue	(15.6)	0.1
Increase in Investments, Loans and Advances	(4.0)	(55.8)
Increase (Decrease) in Obligations under Capital Leases	(0.7)	871.5
Decrease (Increase) in Other Current Assets and Liabilities	<u>(7.7)</u>	<u>20.3</u>
Decrease (Increase) in Borrowing Before Foreign Exchange Adjustments	0.4	(236.3)
Foreign Exchange Adjustments	<u>(72.7)</u>	<u>79.7</u>
Increase in Borrowing	<u>\$ (72.3)</u>	<u>\$ (156.6)</u>

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.

	(millions)	
	<u>2001</u>	<u>2000</u>
Accounts and Interest Receivable	\$ (34.8)	\$ 68.4
Taxes Receivable	(43.9)	(15.5)
Inventories	(2.8)	1.6
Prepaid and Deferred Charges	(0.3)	(10.8)
Accounts Payable	(30.9)	(81.3)
Accrued Expenditures	35.4	21.4
Deposits Held in Trust	<u>1.5</u>	<u>3.1</u>
Increase in Working Capital	(75.8)	(13.1)
Increase in Allowance for Doubtful Accounts	65.3	46.5
Decrease (Increase) in Premiums and Discounts on Issue of Debt	<u>2.8</u>	<u>(13.1)</u>
Decrease (Increase) in Other Current Assets and Liabilities	<u>\$ (7.7)</u>	<u>\$ 20.3</u>

NOTE 20 COMPARATIVE FIGURES

The government announced a significant reorganization in the 2001 fiscal year. Where possible, figures from the prior year have been restated to conform with this reorganization.

Certain other figures for the prior year have also been restated to conform with the 2001 presentation of the financial statements.

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2001

	(millions)	
	2001	2000
SCHEDULE 1		
ACCOUNTS AND INTEREST RECEIVABLE		
Accounts Receivable		
Canada - Conditional Grants		
Canada Mortgage and Housing Corporation	\$ 27.9	\$ 28.5
Canada/New Brunswick Highway Improvement Program	1.9	4.0
Disaster Financial Assistance Program	38.3	32.4
Gun Control	2.8	1.7
Infrastructure Program	0.1	0.4
Official Languages in Education Program	19.9	6.6
Refund of Harmonized Sales Tax Paid	8.9	10.1
Regional Economic Development Agreement	2.1	8.3
Young Offenders Act	1.1	1.1
Other Agreements	3.9	3.6
Canada - Unconditional Grants		
Canada Health and Social Transfer	1.1	4.1
Fiscal Equalization	11.5	6.1
Receivables of Government Departments		
Business New Brunswick	2.2	3.3
Education	17.1	13.2
Family and Community Services	29.8	28.2
Finance	50.6	47.8
Health and Wellness	13.5	17.6
Justice	19.9	13.3
Natural Resources and Energy	3.3	5.6
Public Safety	4.9	3.8
Supply and Services	3.4	2.9
Training and Employment Development	3.6	13.4
Transportation	19.1	5.3
Other Departments	2.9	2.3
Guarantee Payouts	21.6	15.9
Working Capital Advances	7.5	7.1
Other	7.6	5.2
Interest Receivable		
Agricultural Development Act	2.0	1.3
Economic Development Act	4.1	2.6
Fisheries Development Act	14.0	20.4
Other	4.0	2.8
	350.6	318.9
Less: Allowance for Doubtful Accounts	87.4	77.5
	\$ 263.2	\$ 241.4

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2001

	(millions)	
	2001	2000
SCHEDULE 2		
TAXES RECEIVABLE		
Gasoline and Motive Fuels Tax	\$ 21.5	\$ 14.6
Real Property Tax	342.4	323.8
Royalties and Stumpage on Timber	22.7	19.1
Sales Tax	68.9	69.5
Tobacco Tax	5.3	4.4
Other	0.1	0.2
	460.9	431.6
Less: Allowance for Doubtful Accounts	84.5	83.9
	\$ 376.4	\$ 347.7
 SCHEDULE 3		
INVENTORIES		
Construction and Maintenance Materials	\$ 8.8	\$ 8.1
Educational Textbooks	2.2	2.1
Machine Repair Parts	5.5	5.4
Properties Held for Sale	1.3	3.4
Stationery and Supplies	1.3	1.2
Veterinary Supplies	0.8	0.7
Other Supplies	7.5	3.7
	\$ 27.4	\$ 24.6
 SCHEDULE 4		
PREPAID AND DEFERRED CHARGES		
Unamortized Premiums, Discounts, and Issue Expenses on Debentures	\$ 61.2	\$ 64.0
Other	25.4	25.1
	\$ 86.6	\$ 89.1

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2001

(millions)

	2001			2000		
	Amount	Allowance for Doubtful Accounts	Net	Amount	Allowance for Doubtful Accounts	Net
SCHEDULE 5						
LOANS AND ADVANCES						
Business New Brunswick						
Agricultural Development Act	\$ 17.3	\$ 8.3	\$ 9.0	\$ 16.8	\$ 6.3	\$ 10.5
Economic Development Act	138.8	51.7	87.1	109.5	33.4	76.1
Fisheries Development Act	58.0	45.2	12.8	72.4	59.5	12.9
New Brunswick Agri-Export	0.5	0.5	---	0.5	0.5	---
Provincial Holdings Ltd.	9.6	1.8	7.8	16.6	5.4	11.2
Education						
Loans to Students	0.2	0.2	---	0.2	0.2	---
Environment and Local Government						
Loans to Municipalities	---	---	---	0.1	---	0.1
Water and Sewerage Systems	0.4	---	0.4	0.4	---	0.4
Other Loans	0.3	0.3	---	0.2	0.2	---
Executive Council						
La Fondation du quotidien francophone	4.0	4.0	---	4.0	4.0	---
Family and Community Services						
Loans to Nursing Homes	2.9	---	2.9	---	---	---
New Brunswick Housing Act	28.4	2.6	25.8	24.9	2.7	22.2
Finance						
Municipalities - Department of Regional Industrial Expansion Agreements	1.9	0.6	1.3	2.3	0.6	1.7
Health and Wellness						
Veterans' Affairs Units	1.3	---	1.3	---	---	---
Public Safety						
City of Moncton	2.1	---	2.1	2.7	---	2.7
Unsatisfied Judgements	9.5	9.5	---	9.5	9.5	---
Regional Development Corporation						
Fundy Trail Endowment Fund	3.2	---	3.2	3.0	---	3.0
Supply and Services						
Miramichi Redevelopment	0.4	---	0.4	0.4	---	0.4
Other Loans	0.1	---	0.1	0.1	---	0.1
	\$ 278.9	\$ 124.7	\$ 154.2	\$ 263.6	\$ 122.3	\$ 141.3

SCHEDULES TO THE FINANCIAL STATEMENTS
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	(millions)	
	2001	2000
SCHEDULE 6		
INVESTMENTS		
Investment in Government Enterprises		
Lotteries Commission of New Brunswick	\$ 1.1	\$ 1.3
New Brunswick Liquor Corporation	12.2	11.8
New Brunswick Municipal Finance Corporation	0.8	0.7
New Brunswick Power Corporation	7.3	19.3
Workplace Health, Safety and Compensation Commission	29.1	49.0
	50.5	82.1
Other Long Term Investments	3.7	3.4
	\$ 54.2	\$ 85.5

SCHEDULE 7
BANK ADVANCES AND SHORT TERM BORROWING

Bank Overdrafts	\$ 49.1	\$ 48.7
Treasury Bills 4.52%-5.67% Maturing 1 April 2001 - 31 December 2001	732.8	735.9
	781.9	784.6
Less:		
Cash	43.3	47.6
Short Term Investments	253.8	281.5
	297.1	329.1
	\$ 484.8	\$ 455.5

SCHEDULES TO THE FINANCIAL STATEMENTS
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	(millions)	
	2001	2000
SCHEDULE 8		
ACCOUNTS PAYABLE		
Accounts Payable for Goods and Services		
Agriculture, Fisheries and Aquaculture	\$ 4.4	\$ 7.1
Business New Brunswick	5.7	7.5
Education	20.1	19.4
Environment and Local Government	3.7	5.4
Family and Community Services	23.2	24.7
Finance	18.8	17.6
Health and Wellness	54.2	82.7
Investment and Exports	29.2	12.7
Maritime Provinces Higher Education Commission	13.6	10.7
Natural Resources and Energy	2.2	2.4
Office of the Comptroller	4.0	2.5
Public Safety	24.4	20.1
Regional Development Corporation	3.6	2.1
Supply and Services	13.9	14.8
Training and Employment Development	9.8	10.0
Transportation	21.0	29.8
Other Departments	3.2	6.4
Due to Canada		
Department of Regional Industrial Expansion	1.3	1.9
Harmonized Sales Tax Agreement	7.4	13.8
Other Agreements	0.8	0.5
New Brunswick Housing Corporation - Third Parties	46.4	47.5
Other	6.4	8.6
	<u>\$ 317.3</u>	<u>\$ 348.2</u>
SCHEDULE 9		
ACCRUED EXPENDITURES		
Accrued Interest		
Funded Debt	\$ 159.2	\$ 161.7
Outstanding Treasury Bills	4.3	4.1
Other	0.8	0.7
	<u>164.3</u>	<u>166.5</u>
Accrued Salaries Payable	117.5	85.3
Health and Wellness	110.7	91.5
Holdbacks on Contracts	4.9	6.6
Liability for Injured Workers	55.7	42.3
Retirement Allowances	214.8	217.5
Solid Waste Management	5.9	11.5
Other	36.1	53.3
	<u>\$ 709.9</u>	<u>\$ 674.5</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
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	(millions)	
	2001	2000
SCHEDULE 10		
ALLOWANCE FOR LOSSES		
Business New Brunswick	\$ 12.2	\$ 14.7
Education	18.5	1.3
Training and Employment Development	0.2	0.2
	<u>\$ 30.9</u>	<u>\$ 16.2</u>
SCHEDULE 11		
DEFERRED REVENUE		
Canada Health and Social Transfer	\$ 74.1	\$ 57.5
Harmonization Transitional Payment	---	34.0
Highway Improvement Recoveries	1.4	4.8
Motor Vehicle and Operators' Licenses	34.8	36.4
Real Property Taxes	208.2	198.1
Redevelopment of the Miramichi Region - Grant	---	4.3
Other	6.7	5.7
	<u>\$ 325.2</u>	<u>\$ 340.8</u>
SCHEDULE 12		
DEPOSITS HELD IN TRUST		
Administrator of Estates of Patients in Psychiatric Facilities	\$ 0.4	\$ 0.4
Contractors' Deposits	1.5	1.2
Court of Queen's Bench	5.0	3.6
Employee Contributions for Early Retirement Benefits	4.2	5.2
Mining Licenses - Non-Performance Renewal Fees	1.2	2.0
New Brunswick Crop Reinsurance Fund	2.1	1.8
Sale of Property for Taxes	0.8	0.7
Scholarship Trusts	2.1	1.8
Tenants' Security Deposits	9.9	9.3
Other	6.8	6.5
	<u>\$ 34.0</u>	<u>\$ 32.5</u>
SCHEDULE 13		
OBLIGATIONS UNDER CAPITAL LEASES		
Moncton North School	\$ 9.4	\$ 9.7
Miramichi Youth Facility	18.8	19.0
New Brunswick Highway Corporation	871.8	872.0
	<u>\$ 900.0</u>	<u>\$ 900.7</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2001

	(millions)		
	<u>2001</u> <u>Budget</u>	<u>2001</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>
SCHEDULE 14			
TAXES ON CONSUMPTION			
Gasoline and Motive Fuels Tax	\$ 184.0	\$ 186.5	\$ 185.5
Harmonized Sales Tax	629.0	653.2	590.7
Tobacco Tax	50.0	49.8	47.8
Other	0.1	0.1	0.1
	<u>\$ 863.1</u>	<u>\$ 889.6</u>	<u>\$ 824.1</u>
SCHEDULE 15			
TAXES ON INCOME			
Corporate Income Tax	\$ 162.0	\$ 178.6	\$ 141.0
Mining Tax	4.0	3.3	3.9
Personal Income Tax	861.0	910.0	900.3
	<u>\$ 1,027.0</u>	<u>\$ 1,091.9</u>	<u>\$ 1,045.2</u>
SCHEDULE 16			
OTHER TAXES			
Financial Corporation Capital Tax	\$ 9.3	\$ 7.0	\$ 8.5
Insurance Premium Tax	24.4	28.2	25.9
Large Corporation Capital Tax	32.0	30.6	28.1
Other	4.3	3.4	3.3
	<u>\$ 70.0</u>	<u>\$ 69.2</u>	<u>\$ 65.8</u>
SCHEDULE 17			
LICENSES AND PERMITS			
Angling Licenses	\$ 1.6	\$ 1.6	\$ 1.7
Corporations - Annual Filing Fees	1.7	2.0	2.0
Corporations - Letters Patent	1.1	1.2	1.2
Hunting Licenses	1.9	2.2	2.3
Liquor Licensing Board	2.8	3.4	3.0
Motor Vehicle Licenses	76.0	80.6	78.8
Security Frauds Prevention Act	3.7	5.0	4.1
Other	10.2	10.6	12.3
	<u>\$ 99.0</u>	<u>\$ 106.6</u>	<u>\$ 105.4</u>
SCHEDULE 18			
ROYALTIES			
Forest	\$ 58.1	\$ 58.3	\$ 54.5
Mines	7.4	8.2	8.0
	<u>\$ 65.5</u>	<u>\$ 66.5</u>	<u>\$ 62.5</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
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	(millions)		
	<u>2001</u> <u>Budget</u>	<u>2001</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>
SCHEDULE 19			
INVESTMENT INCOME			
Lottery Revenues	\$ 81.2	\$ 89.7	\$ 86.3
New Brunswick Liquor Corporation	99.2	103.0	100.8
New Brunswick Power Corporation	20.0	(12.0)	17.0
Workplace Health, Safety and Compensation Commission (WHSCC)	(1.6)	(19.9)	17.3
Consolidation Adjustment for WHSCC	---	7.5	---
Other Investment Income	20.2	26.6	27.5
	<u>\$ 219.0</u>	<u>\$ 194.9</u>	<u>\$ 248.9</u>
SCHEDULE 20			
OTHER PROVINCIAL REVENUE			
Sales of Goods and Services	\$ 110.0	\$ 146.6	\$ 160.5
Other Revenue	22.6	46.2	37.7
	<u>\$ 132.6</u>	<u>\$ 192.8</u>	<u>\$ 198.2</u>
SCHEDULE 21			
CONDITIONAL GRANTS - CANADA			
Economic Development	\$ 18.1	\$ 11.7	\$ 24.1
Education	26.1	22.6	24.8
Employment Development	95.8	100.0	92.2
Family and Community Services	37.5	36.9	39.8
General Government Services	3.7	4.4	3.8
Health	3.9	5.4	5.3
Protection Services	7.3	7.3	5.7
Resources	0.8	6.5	7.6
Transportation	7.9	9.6	33.8
	<u>\$ 201.1</u>	<u>\$ 204.4</u>	<u>\$ 237.1</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2001

	(millions)		
	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>2000 Actual</u>
SCHEDULE 22			
EDUCATION			
Education	\$ 744.8	\$ 751.8	\$ 728.5
General Government	2.8	(50.7)	(53.8)
Maritime Provinces Higher Education Commission	164.4	164.2	160.9
Supply and Services	33.0	32.7	37.9
	<u>\$ 945.0</u>	<u>\$ 898.0</u>	<u>\$ 873.5</u>
SCHEDULE 23			
HEALTH			
General Government	\$ 0.8	\$ (0.2)	\$ 4.8
Health and Wellness	1,227.6	1,286.7	1,215.5
Supply and Services	3.8	3.8	7.6
	<u>\$ 1,232.2</u>	<u>\$ 1,290.3</u>	<u>\$ 1,227.9</u>
SCHEDULE 24			
FAMILY AND COMMUNITY SERVICES			
Family and Community Services	\$ 663.7	\$ 646.6	\$ 645.6
General Government	4.3	4.2	4.7
	<u>\$ 668.0</u>	<u>\$ 650.8</u>	<u>\$ 650.3</u>
SCHEDULE 25			
PROTECTION SERVICES			
General Government	\$ 2.3	\$ 3.2	\$ 5.1
Justice	33.1	33.2	33.9
Public Safety	92.3	96.4	94.8
Supply and Services	0.2	0.3	0.2
	<u>\$ 127.9</u>	<u>\$ 133.1</u>	<u>\$ 134.0</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2001

	(millions)		
	<u>2001 Budget</u>	<u>2001 Actual</u>	<u>2000 Actual</u>
SCHEDULE 26			
ECONOMIC DEVELOPMENT			
Business New Brunswick	\$ 31.0	\$ 28.0	\$ 38.5
General Government	22.9	22.9	14.6
Investment and Exports	42.8	48.9	51.9
Regional Development Corporation	41.8	32.8	59.5
Regional Development Corporation - Special Operating Agency	---	3.4	23.5
Supply and Services	---	---	0.2
	<u>\$ 138.5</u>	<u>\$ 136.0</u>	<u>\$ 188.2</u>
SCHEDULE 27			
EMPLOYMENT DEVELOPMENT AND LABOUR			
General Government	\$ 0.6	\$ 0.6	\$ 0.6
Supply and Services	---	0.3	---
Training and Employment Development	228.0	228.4	213.3
	<u>\$ 228.6</u>	<u>\$ 229.3</u>	<u>\$ 213.9</u>
SCHEDULE 28			
RESOURCE SECTOR			
Agriculture, Fisheries and Aquaculture	\$ 22.2	\$ 41.4	\$ 41.4
Environment	22.0	19.4	40.4
General Government	0.3	2.5	3.6
Natural Resources and Energy	89.6	89.7	95.4
Supply and Services	1.4	1.4	1.5
	<u>\$ 135.5</u>	<u>\$ 154.4</u>	<u>\$ 182.3</u>
SCHEDULE 29			
TRANSPORTATION			
General Government	\$ 0.3	\$ 1.3	\$ 3.9
New Brunswick Highway Corporation	4.8	4.6	6.1
Transportation	229.9	233.0	345.8
	<u>\$ 235.0</u>	<u>\$ 238.9</u>	<u>\$ 355.8</u>

SCHEDULES TO THE FINANCIAL STATEMENTS
31 March 2001

	(millions)		
	<u>2001</u> <u>Budget</u>	<u>2001</u> <u>Actual</u>	<u>2000</u> <u>Actual</u>
SCHEDULE 30			
CENTRAL GOVERNMENT			
Executive Council	\$ 3.7	\$ 3.4	\$ 3.2
Finance	90.9	95.4	93.0
General Government	117.6	63.4	46.3
Intergovernmental Affairs	1.7	1.5	2.6
Legislative Assembly	12.7	12.9	16.6
Local Government	33.0	33.8	33.7
New Brunswick Investment Management Corporation	---	5.6	4.6
Office of the Comptroller	4.9	4.7	4.8
Office of the Premier	1.2	1.2	1.6
Service New Brunswick	---	39.2	41.7
Supply and Services	90.5	90.0	90.8
	<u>\$ 356.2</u>	<u>\$ 351.1</u>	<u>\$ 338.9</u>