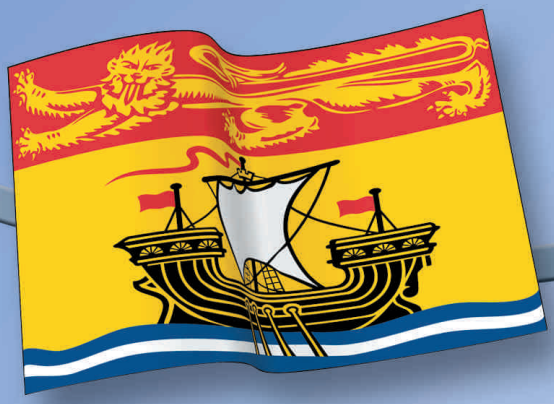


Public Accounts

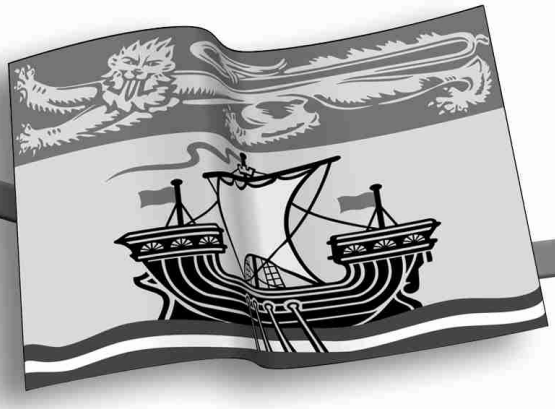
for the fiscal year ended 31 March

2002

Volume 4
Trust Funds

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

New Nouveau Brunswick
CANADA



Public Accounts

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New Nouveau
Brunswick
CANADA

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VOLUME IV

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

Volume I 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, statements of the General Sinking Fund, Securities Held, and revenue and expenditure by government department (this includes salary, travel, vendor, grant and contribution, and loan disbursement listings).

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

This volume 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 2001 in excess of $40,000.

FINANCIAL STATEMENTS

PUBLIC SERVICE SUPERANNUATION PLAN

31 MARCH 2002

Office of the Auditor General | Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Peter Mesheau
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Public Service Superannuation Plan as at 31 March 2002 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. 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 the Plan's trustee, 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 Plan as at 31 March 2002 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
31 October 2002

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 MARCH 2002

	2002	2001
ASSETS		
Investments (note 3)	$3,008,263,135	$2,960,067,758
Receivables		
Employee contributions	7,153,621	7,670,597
Employer contributions	16,769,938	1,680,580
	23,923,559	9,351,177
Total assets	3,032,186,694	2,969,418,935
LIABILITIES		
Accounts payable	959,891	772,262
Total liabilities	959,891	772,262
NET ASSETS AVAILABLE FOR BENEFITS	$3,031,226,803	$2,968,646,673

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
INCREASE IN ASSETS		
Investment income (note 4)	$ 98,987,129	$ -
Securities lending	97,757	96,114
Pension contributions		
Employee	47,300,229	46,417,464
Employer (note 5)	54,652,873	39,074,427
Transfers under reciprocal agreements	2,978,918	1,337,311
Total increase in assets	204,016,906	86,925,316
DECREASE IN ASSETS		
Investment loss (note 4)	-	176,904,235
Pensions	128,800,781	117,156,705
Refunds	3,914,143	5,149,925
Transfers under reciprocal agreements	2,073,828	3,134,019
Administrative expenses	2,074,278	2,039,820
Investment management fees	3,704,308	2,926,139
Harmonized Sales Tax (note 6)	869,438	-
Total decrease in assets	141,436,776	307,310,843
INCREASE (DECREASE) IN NET ASSETS	62,580,130	(220,385,527)
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	2,968,646,673	3,189,032,200
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 3,031,226,803	$ 2,968,646,673

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

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

1. Description of Plan

The following description of the Public Service Superannuation Plan is a summary only. For more information, reference should be made to the Public Service Superannuation Act.

(a) General

The Plan is a contributory defined benefit pension plan covering certain government employees and employees of certain boards, commissions, corporations and educational institutions as defined by the Act and its regulations. The Office of Human Resources administers the Plan.

(b) Funding Policy

Under the Plan, the Plan members and the Plan sponsor make contributions. The determination of the value of benefits owed by the Plan is made on the basis of a triennial actuarial valuation (see note 7).

(c) Service Pensions

For pensionable service after 31 August 1966, the basic pension benefit is 1.3% of the average annual salary during the highest paid continuous 5 year period up to the year's maximum pensionable earnings (YMPE) and 2% of the average annual salary above the YMPE multiplied by the number of years of pensionable service. Pension benefits are integrated in accordance with the average YMPE when the member attains age 65 regardless of when pension benefits commenced being paid. For pensionable service before 1 September 1966, the pension benefit is 2% of the average annual salary multiplied by the number of years of pensionable service. Pension benefits are indexed annually to a maximum of 5%.

Normal retirement age is 65. Unreduced pension benefits are available upon reaching age 60 with 5 years of pensionable service. Reduced benefits are available at age 55 with 5 years of pensionable service. The early reduction factor of 3% per year pro-rated is applied if retirement occurs at age 55 and before age 60.

(d) Death Benefits

On the death of a member prior to completing 5 years of pensionable service, the benefit payable is a refund of the member's contributions with interest. An immediate pension equal to 50% of the member's pension, had they attained age 65, is payable to the surviving spouse or dependent children in the event of death of a member who has completed at least 5 years of pensionable service.

(e) Benefits on Termination

In the event of termination of employment for reasons other than retirement, death or disability a member may receive either a refund of his/her own contributions to the Plan with interest or a deferred annuity commencing when the member attains retirement age. To be eligible for a deferred annuity the member must have 5 or more years of pensionable service to his credit at his date of termination of employment.

(f) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

On 1 April 1998, the assets of the Public Service Superannuation Fund were transferred to unit trust funds established by the New Brunswick Investment Management Corporation (NBIMC).

All investments of the Plan are represented by holdings of units of the unit trust funds. The total value is based on the calculated net asset value multiplied by the number of units held.

Investments are valued at their fair value as of the date of the financial statements. For securities listed on an exchange, fair value is the closing price listed on the exchange. If no closing price is available, the average of the latest bid and ask prices is used. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Investments in money market instruments are reported at cost, which approximates market value. Investments denominated in a foreign currency are translated into their Canadian dollar equivalents at the year-end exchange rate.

(c) Revenue Recognition

All investment transactions are recognized as of their trade date. Interest income and dividend income have been accrued at year-end. Transactions denominated in a foreign currency are translated at the exchange rate prevailing at the time of the transaction.

Derivative products such as foreign exchange contracts, futures and swaps are recorded at the value the unit trust funds would have paid or received had the contract been terminated at the year-end date. The resulting gain or loss is included in investment income.

Both realized and unrealized gains and losses are included in investment income.

3. Investments

(a) Trustee

The assets of the Public Service Superannuation Plan are held in trust by NBIMC. NBIMC was appointed as trustee on 11 March 1996 by an Act of the New Brunswick Legislature which bears its name (NBIMC Act) and assumed responsibility for the management of the Plan's assets effective 1 April 1996.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

(b) Investments

There are currently 13 unit trust funds, each with a specific investment mandate. The unit trust funds are established pursuant to a Unit Trust Declaration made by the NBIMC on 1 April 1998. Each fund is an open-end, unincorporated trust, governed by the laws of the Province of New Brunswick.

Following is a description of each unit trust fund in existence during the year ended March 31, 2002:

Nominal Bond:

Invests primarily in investment grade bonds (a minimum of triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The return objective is to add 20 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

New Brunswick Fixed Income Opportunity:

Invests primarily in fixed income issues to finance economic activity in New Brunswick. The return objective is to add 20 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

Inflation Linked Securities:

Invests primarily in fixed income instruments of G-7 countries that are adjusted for inflation. The return objective is to add 10 basis points to its benchmark, the Scotia Capital Real Return Bond Index, over a four-year moving average.

Money Market:

Invests primarily in fixed income securities having a maturity of less than one year. The return objective is to add 20 basis points to its benchmark, which is calculated as 80% of the Scotia Capital 91-Day Treasury Bill Index and 20% of the Call Loan Rate.

Allocation Equity International:

This fund is used to implement asset allocation decisions and diversify equity investments by participating in the equity markets of the U.S., Japan, the U.K., Germany, France and Italy. Its primary investments are derivative products such as futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments.

Allocation Equity Domestic:

This fund is used to implement asset allocation decisions by investing in the Canadian equity market. Its primary investments are derivative products such as futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

New Brunswick and Atlantic Canada Equity Opportunity:

This fund invests in public and private equities or instruments convertible into equities of New Brunswick and Atlantic Canada companies. The return objective is to add 80 basis points to its benchmark, the TSE 300, over a four-year moving average.

Canadian Equity:

Investments are selected primarily from the top 120 companies on the Toronto Stock Exchange. The return objective is to add 80 basis points to its benchmark, the TSE 300, over a four-year moving average.

TSE Small-Cap:

Managed by an external manager, this fund invests primarily in the bottom 180 companies of the TSE 300 Index. The return objective is to exceed the performance of its benchmark, the S&P/TSE Small-Cap Index, by 100 basis points.

Private Equity:

This fund, which was launched on February 1, 2001, is managed by external managers that invest primarily in non-publicly traded securities of U.S. and European companies. The return objective is to exceed the performance of its benchmark, a blend of the S&P 500, FTSE-100, DAX, CAC-40 and MIB-30 total return indices, by 300 basis points over a four-year moving average.

U.S. Real Estate:

This fund, which was launched on February 1, 2001, is managed by an external manager that invests primarily in publicly traded securities of U.S. Real Estate Investment Trusts. The return objective is to add 150 basis points to the NAREIT®Equity Index.

Public Equity:

This fund, which was launched on August 15, 2001, is managed by external managers. Two managers are currently in place, with each having 50% allocation of total assets. One manager invests primarily in U.S. publicly-traded companies and has a return objective of 200 basis points above the S&P 500 Total Return index. The other manager invests primarily in European publicly-traded companies and has a return objective of 200 basis points above its benchmark, an equal blend of the total return indices for the FTSE-100, DAX, CAC-40 and MIB-30 indices.

Student Investment:

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. Its initial base was $1 million and is to be invested using the same philosophy as that used by NBIMC. The overall benchmark for this fund is composed of 50% S&P/TSE 60, 45% Scotia Capital All Government Index and 5% Scotia Capital 91-Day Treasury Bill Index. The activities of this fund are closely monitored by NBIMC staff who execute and process all transactions on behalf of the students.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

The following table reflects the holdings of the Public Service Superannuation Plan in the unit trust funds for which NBIMC is trustee.

	Units	Unit Value	2002 Amount	2001 Amount
Fixed Income:				
Nominal Bond	768,641	$ 1,162	$ 893,811,850	$ 871,988,417
New Brunswick Fixed Income Opportunity	17,302	1,242	21,479,752	22,938,146
			915,291,602	894,926,563
Inflation Linked Securities	274,385	1,275	349,727,249	321,237,019
Money Market	126,190	1,165	147,040,074	93,693,743
			1,412,058,925	1,309,857,325
Equities:				
Allocation Equity International	391,217	1,094	427,924,230	559,557,346
Allocation Equity Domestic	31,485	1,391	43,783,550	126,828,169
New Brunswick and Atlantic Canada Equity Opportunity	23,734	1,281	30,411,032	22,001,937
Canadian Equity	704,797	1,098	773,645,739	722,183,163
TSE Small-Cap	71,725	1,195	85,709,905	68,199,147
Private Equity	108,941	830	90,377,542	85,983,190
U.S. Real Estate	52,842	1,190	62,875,438	64,857,270
Public Equity	84,232	960	80,850,148	-
			1,595,577,584	1,649,610,222
Balanced:				
Student Investment	485	1,291	626,626	600,211
			$3,008,263,135	**$2,960,067,758**

(c) Risk Management

Rates of return vary based on the degree of uncertainty. The fundamental sources of uncertainty to which investments are exposed are credit risk and price risk. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk is the risk that the value of an investment will fluctuate due to future changes in foreign exchange rates. Interest rate risk is the risk that the value of an investment will fluctuate due to future changes in market interest rates. Market risk is the risk that the value of a financial instrument will fluctuate as a result of future changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

Risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions by limiting most investments to G-7 countries. Borrowing or leveraging is not allowed. Controls are in place respecting the use of derivatives. Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency.

4. Investment Income

The following table reflects the investment income of the Public Service Superannuation Fund in each of the unit trust funds for which NBIMC is trustee for the year ended 31 March 2002.

	Interest	Dividends	Current Period Increase/ (Decrease) in Market Value	Total
Fixed Income:				
Nominal Bond	$ 47,549,255	$ -	$ (5,261,813)	$ 42,287,442
New Brunswick Fixed Income Opportunity	1,512,957	-	(420,029)	1,092,928
	49,062,212	-	(5,681,842)	43,380,370
Inflation Linked Securities	11,830,417	-	(2,794,979)	9,035,438
Money Market	5,696,365	-	(944,882)	4,751,483
	66,588,994	-	(9,421,703)	57,167,291
Equities:				
Allocation Equity International	20,311,555	-	(47,474,610)	(27,163,055)
Allocation Equity Domestic	3,568,973	-	6,303,285	9,872,258
New Brunswick and Atlantic Canada Equity Opportunity	1,011,474	933,434	(600,204)	1,344,704
Canadian Equity	2,533,309	410,361	32,541,136	35,484,806
TSE Small-Cap	23,108	1,410,293	10,921,093	12,354,494
Private Equity	3,467,450	-	(4,514,062)	(1,046,612)
U.S. Real Estate	35,290	4,105,491	8,677,401	12,818,182
Public Equity	33,483	354,357	(2,259,184)	(1,871,344)
	30,984,642	7,213,936	3,594,855	41,793,433
Balanced:				
Student Investment	18,374	5,536	2,495	26,405
Total - 2002	**$ 97,592,010**	**$ 7,219,472**	**$ (5,824,353)**	**$ 98,987,129**
Total - 2001	**$ 117,551,169**	**$ 4,695,011**	**$ (299,150,415)**	**$ (176,904,235)**

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

5. Pension Contributions from Employers

Pension contributions from employers are as follows:

	2002	2001
Province of New Brunswick	$ 31,441,689	$ 21,676,222
New Brunswick Power Corporation	10,578,566	7,158,603
University of New Brunswick	2,466,489	1,898,763
Workplace Health, Safety and Compensation Commission	1,304,687	846,375
New Brunswick Liquor Corporation	928,263	613,836
Other	7,933,179	6,880,628
	$ 54,652,873	$ 39,074,427

6. Harmonized Sales Tax

After extensive discussions between NBIMC and the Canada Customs and Revenue Agency, it was determined that NBIMC was obligated to collect and remit Harmonized Sales Tax (HST) on the fees it charges to the pension funds under its trusteeship. As a result, NBIMC voluntarily collected and remitted HST to Canada Customs and Revenue Agency for the years 1996 to 2001 during 2002. This amount is reported as a separate item on the statement of changes in net assets. HST related to the 2001-2002 fiscal year has been included under the caption "Investment management fees" on the statement of changes in net assets.

7. Funding Policy

Employees are required to contribute 5.8% of their earnings, up to the year's maximum pensionable earnings (YMPE) under the Canada Pension Plan Act, 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 most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco, a firm of consulting actuaries, as of 1 April 2000. This valuation disclosed a surplus of $330,225,000.

8. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 April 2002 by Morneau Sobeco.

TRUST FUND NO. 4
PUBLIC SERVICE SUPERANNUATION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

8. Obligation for Pension Benefits (continued)

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	7.9%	7.9%
Annual wage and salary increase	4.0% plus promotional increase between 0.2% and 1.0%	2.0% to 4.0%
Inflation	3.5%	3.5%
Rate of pension escalation after retirement		
(Actives and pensioners who retired on or after May 1, 1995)	3.3%	1.7% to 3.3%
(Pensioners who retired prior to May 1, 1995 and for UNB faculty)	3.4%	1.7% to 3.4%

The actuarial present value of benefits as at 31 March and the principal components of changes in actuarial present values during the year were as follows:

	(in millions) 2002	2001
Actuarial present value of accrued pension benefits at beginning of year	$ 2,830.89	$ 2,683.60
Interest accrued on benefits	222.16	210.90
Benefits accrued	97.37	97.44
Benefits paid	(134.79)	(125.44)
Change in assumptions	-	-
Experience loss (gain)	50.50	(35.61)
Actuarial present value of accrued pension benefits at end of year	$ 3,066.13	$ 2,830.89
Net assets available for benefits	$ 3,031.20	$ 2,968.65

9. Investments in Plan Sponsor

As at 31 March 2002, the Public Service Superannuation Plan held:

- 51% of the total nominal bond unit trust fund of $1,756,898,534. Of this total, $11,481,955 consisted of Province of New Brunswick and Province of New Brunswick guaranteed securities.
- 52% of the total $283,523,479 in the Money Market Fund. Of this total, $26,939,783 consisted of short term Province of New Brunswick guaranteed securities.
- 48% of the total $1,313,557 in the Student Investment Fund. Of this total, $63,178 consisted of Province of New Brunswick securities.

FINANCIAL STATEMENTS

TEACHERS' PENSION PLAN

31 MARCH 2002

Office of the Auditor General | Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Peter Mesheau
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Teachers' Pension Plan as at 31 March 2002 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. 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 the Plan's trustee, 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 Plan as at 31 March 2002 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
31 October 2002

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 MARCH 2002

	2002	2001
ASSETS		
Investments (note 3)	$ 2,791,760,234	$ 2,813,373,292
Receivables		
Employee contributions	4,790,518	2,248,654
Employer contributions	781,463	5,427
	5,571,981	2,254,081
Total assets	2,797,332,215	2,815,627,373
LIABILITIES		
Accounts payable	984,797	671,960
Deferred employer contributions	-	23,596,813
Total liabilities	984,797	24,268,773
NET ASSETS AVAILABLE FOR BENEFITS	$ 2,796,347,418	$ 2,791,358,600

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
INCREASE IN ASSETS		
Investment income (note 4)	$ 94,796,995	$ -
Securities lending	92,264	95,013
Pension contributions		
Employee	35,771,999	32,256,637
Employer	29,913,186	28,324,079
Transfers under reciprocal agreements	932,647	563,140
Total increase in assets	161,507,091	61,238,869
DECREASE IN ASSETS		
Investment loss (note 4)	-	140,110,855
Pensions	148,931,466	134,682,499
Refunds	1,926,837	1,544,434
Transfers under reciprocal agreements	168,069	524,242
Administrative expenses	1,176,649	1,127,227
Investment management fees	3,481,538	2,777,014
Harmonized Sales Tax (note 5)	833,714	-
Total decrease in assets	156,518,273	280,766,271
INCREASE (DECREASE) IN NET ASSETS	4,988,818	(219,527,402)
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	2,791,358,600	3,010,886,002
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 2,796,347,418	$ 2,791,358,600

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

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

1. Description of Plan

The following description of the Teachers' Pension Plan is a summary only. For more information, reference should be made to the Teachers' Pension Act.

(a) General

The Plan is a contributory defined benefit pension plan covering teachers as defined by the Act and its regulations. The Office of Human Resources administers the Plan.

(b) Funding Policy

Under the Plan, the Plan members and the Plan sponsor make contributions. The determination of the value of benefits owed by the Plan is made on the basis of a triennial actuarial valuation (see note 6).

(c) Service Pensions

For pensionable service after 31 August 1966, the basic pension benefit is 1.3% of the average annual salary during the highest paid continuous 5 year period up to the year's maximum pensionable earnings (YMPE) and 2% of the average annual salary above the YMPE multiplied by the number of years of pensionable service. Pension benefits are integrated in accordance with the average YMPE when the member attains age 65 regardless of when pension benefits commenced being paid. Pension benefits are indexed annually to a maximum of 4.75%.

For pensionable service before 1 September 1966, the pension benefit is 2.14% of the average annual salary during the highest paid continuous 5 year period multiplied by the number of years of pensionable service.

Employees are eligible for pension benefits when the sum of their age and completed years of pensionable service is 87 or more, they have a minimum of 35 years of pensionable service, or at age 65 with 5 years of pensionable service, or at age 60 with 20 years of pensionable service. Reduced benefits are available when the age and service total is 80, or at age 60 with 5 years of service.

(d) Disability Pensions

A member who has at least 5 years of pensionable service at the date of becoming disabled is entitled to an immediate pension on retirement because of disability.

(e) Death Benefits

On the death of an active member prior to completing 5 years of pensionable service, the benefit payable is a refund of the member's contributions with interest. In the event of death of an active member who has completed at least 5 years of pensionable service, the normal form of pension, equal to 50% of what the member would have received had they attained age 65, is payable to the surviving spouse. If there is no spouse but there is a child, a pension is paid in respect of the child until age 19. If the child is in full-time attendance at an educational institution, a pension is paid in respect of the child until age 25 or when the child ceases to be in full-time attendance at the educational institution, whichever occurs first.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

1. Description of Plan (continued)

If a member dies after retirement, and the member had a surviving spouse at the time of retirement and elected a higher spousal benefit, the amount payable is in accordance with the option chosen at retirement (e.g. 60%, 66 2/3%, 75% or 100%). These options are only available to the spouse who is a spouse at the date the annual pension commences to be paid at the time of the members' retirement. If there is no spouse but there is a child, the normal form of survivor pension (50% of benefit payable at members age 65) is paid in respect of the child until age 19. If the child is in full-time attendance at an educational institution, a pension is paid in respect of the child until age 25 or when the child ceases to be in full-time attendance at the educational institution, whichever occurs first.

(f) Benefits on Termination

In the event of termination of employment for reasons other than retirement, death or disability, a member may receive either a refund of his/her own contributions to the Plan with interest or a deferred pension if vested.

(g) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

On 1 April 1998, the assets of the Teachers' Pension Fund were transferred to unit trust funds established by the New Brunswick Investment Management Corporation (NBIMC).

All investments of the Plan are represented by holdings of units of the unit trust funds. The total value is based on the calculated net asset value multiplied by the number of units held.

Investments are valued at their fair value as of the date of the financial statements. For securities listed on an exchange, fair value is the closing price listed on the exchange. If no closing price is available, the average of the latest bid and ask prices is used. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Investments in money market instruments are reported at cost, which approximates market value. Investments denominated in a foreign currency are translated into their Canadian dollar equivalents at the year-end exchange rate.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

2. Summary of Significant Accounting Policies (continued)

(c) Revenue Recognition

All investment transactions are recognized as of their trade date. Interest income and dividend income have been accrued at year-end. Transactions denominated in a foreign currency are translated at the exchange rate prevailing at the time of the transaction.

Derivative products such as foreign exchange contracts, futures and swaps are recorded at the value the unit trust funds would have paid or received had the contract been terminated at the year-end date. The resulting gain or loss is included in investment income.

Both realized and unrealized gains and losses are included in investment income.

3. Investments

(a) Trustee

The assets of the Teachers' Pension Plan are held in trust by NBIMC. NBIMC was appointed as trustee on 11 March 1996 by an Act of the New Brunswick Legislature which bears its name (NBIMC Act) and assumed responsibility for the management of the Plan's assets effective 1 April 1996.

(b) Investments

There are currently 13 unit trust funds, each with a specific investment mandate. The unit trust funds are established pursuant to a Unit Trust Declaration made by the NBIMC on 1 April 1998. Each fund is an open-end, unincorporated trust, governed by the laws of the Province of New Brunswick.

Following is a description of each unit trust fund in existence during the year ended March 31, 2002:

Nominal Bond:

Invests primarily in investment grade bonds (a minimum of triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The return objective is to add 20 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

New Brunswick Fixed Income Opportunity:

Invests primarily in fixed income issues to finance economic activity in New Brunswick. The return objective is to add 20 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

Inflation Linked Securities:

Invests primarily in fixed income instruments of G-7 countries that are adjusted for inflation. The return objective is to add 10 basis points to its benchmark, the Scotia Capital Real Return Bond Index, over a four-year moving average.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

Money Market:

Invests primarily in fixed income securities having a maturity of less than one year. The return objective is to add 20 basis points to its benchmark, which is calculated as 80% of the Scotia Capital 91-Day Treasury Bill Index and 20% of the Call Loan Rate.

Allocation Equity International:

This fund is used to implement asset allocation decisions and diversify equity investments by participating in the equity markets of the U.S., Japan, the U.K., Germany, France and Italy. Its primary investments are derivative products such as futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments.

Allocation Equity Domestic:

This fund is used to implement asset allocation decisions by investing in the Canadian equity market. Its primary investments are derivative products such as futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments.

New Brunswick and Atlantic Canada Equity Opportunity:

This fund invests in public and private equities or instruments convertible into equities of New Brunswick and Atlantic Canada companies. The return objective is to add 80 basis points to its benchmark, the TSE 300, over a four-year moving average.

Canadian Equity:

Investments are selected primarily from the top 120 companies on the Toronto Stock Exchange. The return objective is to add 80 basis points to its benchmark, the TSE 300, over a four-year moving average.

TSE Small-Cap:

Managed by an external manager, this fund invests primarily in the bottom 180 companies of the TSE 300 Index. The return objective is to exceed the performance of its benchmark, the S&P/TSE Small-Cap Index, by 100 basis points.

Private Equity:

This fund, which was launched on February 1, 2001, is managed by external managers that invest primarily in non-publicly traded securities of U.S. and European companies. The return objective is to exceed the performance of its benchmark, a blend of the S&P 500, FTSE-100, DAX, CAC-40 and MIB-30 total return indices, by 300 basis points over a four-year moving average.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

U.S. Real Estate:

This fund, which was launched on February 1, 2001, is managed by an external manager that invests primarily in publicly traded securities of U.S. Real Estate Investment Trusts. The return objective is to add 150 basis points to the NAREIT®Equity Index.

Public Equity:

This fund, which was launched on August 15, 2001, is managed by external managers. Two managers are currently in place, with each having 50% allocation of total assets. One manager invests primarily in U.S. publicly-traded companies and has a return objective of 200 basis points above the S&P 500 Total Return index. The other manager invests primarily in European publicly-traded companies and has a return objective of 200 basis points above its benchmark, an equal blend of the total return indices for the FTSE-100, DAX, CAC-40 and MIB-30 indices.

Student Investment:

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. Its initial base was $1 million and is to be invested using the same philosophy as that used by NBIMC. The overall benchmark for this fund is composed of 50% S&P/TSE 60, 45% Scotia Capital All Government Index and 5% Scotia Capital 91-Day Treasury Bill Index. The activities of this fund are closely monitored by NBIMC staff who execute and process all transactions on behalf of the students.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

The following table reflects the holdings of the Teachers' Pension Plan in the unit trust funds for which NBIMC is trustee.

	Units	Unit Value	2002 Amount	2001 Amount
Fixed Income:				
Nominal Bond	737,562	$1,162	$ 857,670,932	$ 857,085,486
New Brunswick Fixed Income Opportunity	16,064	1,242	19,943,594	21,817,289
			877,614,526	878,902,775
Inflation Linked Securities	276,629	1,275	352,586,690	333,405,419
Money Market	116,201	1,165	135,400,425	87,995,272
			1,365,601,641	1,300,303,466
Equities:				
Allocation Equity International	337,744	1,094	369,433,843	504,192,337
Allocation Equity Domestic	29,238	1,391	40,657,806	120,589,063
New Brunswick and Atlantic Canada Equity Opportunity	22,037	1,281	28,236,047	20,926,775
Canadian Equity	631,554	1,098	693,248,353	653,235,225
TSE Small-Cap	64,057	1,195	76,546,678	70,006,348
Private Equity	101,141	830	83,906,782	81,778,525
U.S. Real Estate	49,063	1,190	58,378,804	61,688,063
Public Equity	78,208	960	75,068,026	-
			1,425,476,339	1,512,416,336
Balanced:				
Student Investment	528	1,291	682,254	653,490
			$2,791,760,234	**$2,813,373,292**

(c) Risk Management

Rates of return vary based on the degree of uncertainty. The fundamental sources of uncertainty to which investments are exposed are credit risk and price risk. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk is the risk that the value of an investment will fluctuate due to future changes in foreign exchange rates. Interest rate risk is the risk that the value of an investment will fluctuate due to future changes in market interest rates. Market risk is the risk that the value of a financial instrument will fluctuate as a result of future changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions by limiting most investments to G-7 countries.

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

Borrowing or leveraging is not allowed. Controls are in place respecting the use of derivatives. Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency.

4. Investment Income

The following table reflects the investment income of the Teachers' Pension Plan in each of the unit trust funds for which NBIMC is trustee for the year ended 31 March 2002.

	Interest	Dividends	Current Period Increase/ (Decrease) in Market Value	Total
Fixed Income:				
Nominal Bond	$ 45,626,686	$ -	$ (4,333,827)	$ 41,292,859
New Brunswick Fixed Income Opportunity	1,404,761	-	(371,205)	1,033,556
	47,031,447	-	(4,705,032)	42,326,415
Inflation Linked Securities	11,927,245	-	(2,698,773)	9,228,472
Money Market	5,329,019	-	(870,074)	4,458,945
	64,287,711	-	(8,273,879)	56,013,832
Equities:				
Allocation Equity International	17,535,420	-	(42,088,978)	(24,553,558)
Allocation Equity Domestic	3,314,214	-	5,981,461	9,295,675
New Brunswick and Atlantic Canada Equity Opportunity	939,140	866,681	(555,099)	1,250,722
Canadian Equity	2,270,055	367,718	29,108,585	31,746,358
TSE Small-Cap	20,637	1,259,514	10,475,924	11,756,075
Private Equity	3,219,223	-	(4,217,111)	(997,888)
U.S. Real Estate	32,766	3,811,896	8,186,527	12,031,189
Public Equity	31,089	329,016	(2,134,269)	(1,774,164)
	27,362,544	6,634,825	4,757,040	38,754,409
Balanced:				
Student Investment	20,004	6,027	2,723	28,754
Total - 2002	**$ 91,670,259**	**$ 6,640,852**	**$ (3,514,116)**	**$ 94,796,995**
Total - 2001	**$ 113,281,500**	**$ 4,383,839**	**$ (257,776,194)**	**$ (140,110,855)**

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

5. Harmonized Sales Tax

After extensive discussions between NBIMC and the Canada Customs and Revenue Agency, it was determined that NBIMC was obligated to collect and remit Harmonized Sales Tax (HST) on the fees it charges to the pension funds under its trusteeship. As a result, NBIMC voluntarily collected and remitted HST to Canada Customs and Revenue Agency for the years 1996 to 2001 during 2002. This amount is reported as a separate item on the statement of changes in net assets. HST related to the 2001-2002 fiscal year has been included under the caption "Investment management fees" on the statement of changes in net assets.

6. Funding Policy

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

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco, a firm of consulting actuaries, as of 1 April 2000. This valuation disclosed a surplus of $221,127,000.

7. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 April 2002 by Morneau Sobeco.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	7.9%	7.9%
Annual wage and salary increase	4.0% plus promotional increase between 0.25% and 1.5%	2.0% to 4.0%
Inflation	3.5%	3.5%
Rate of pension escalation after retirement		
(Actives and pensioners who retired on or after May 1, 1995)	3.2%	1.7% to 3.2%
(Pensioners who retired prior to May 1, 1995)	3.4%	1.7% to 3.4%

The actuarial present value of benefits as at 31 March and the principal components of changes in actuarial present values during the year were as follows:

TRUST FUND NO. 7
TEACHERS' PENSION PLAN
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

7. Obligation for Pension Benefits (continued)

	(in millions) 2002	2001
Actuarial present value of accrued pension benefits at beginning of year	$ 2,759.63	$ 2,631.78
Interest accrued on benefits	214.81	204.90
Benefits accrued	69.95	60.62
Benefits paid	(151.03)	(136.75)
Experience loss (gain)	38.82	(0.92)
Actuarial present value of accrued pension benefits at end of year	$ 2,932.18	$ 2,759.63
Net assets available for benefits	$ 2,796.35	$ 2,791.36

8. Investments in Plan Sponsor

As at 31 March 2002, the Teachers' Plan held:

- 49% of the total Nominal Bond unit trust fund of $1,756,898,534. Of this total, $11,481,955 consisted of Province of New Brunswick and Province of New Brunswick guaranteed securities.
- 48% of the total $283,523,479 in the Money Market unit trust fund. Of this total, $26,939,783 consisted of short term Province of New Brunswick guaranteed securities.
- 52% of the total $1,313,557 in the Student Investment Fund. Of this total, $63,178 consisted of Province of New Brunswick securities.

TRUST FUND NO. 8

GROUP INSURANCE TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 8
GROUP INSURANCE TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 31,561	$ 109,720
Short term investments (par value $900,000)	900,000	700,000
Receivable from Assumption Mutual Life Insurance Company	345,561	1,748,718
Accrued interest receivable	2,754	4,989
	1,279,876	2,563,427
Investments (market value $164,000) (Note 3)	150,000	221,000
Deferred Charges:		
Unamortized premiums less discounts	(161)	565
	$ 1,429,715	$ 2,784,992

LIABILITIES AND FUND EQUITY		
Fund equity	1,429,715	2,784,992
	$ 1,429,715	$ 2,784,992

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 2,784,992	$ 1,373,912
Add:		
Bank interest	1,386	3,338
Interest earned on investments	47,220	64,768
Amortization of premiums less discounts	(726)	(3,899)
Group Insurance refund (deficiency)	(1,403,157)	1,346,873
	(1,355,277)	1,411,080
Fund equity at end of year	$ 1,429,715	$ 2,784,992

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

TRUST FUND NO. 8
GROUP INSURANCE TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

The Group Insurance Trust Fund is held in trust by the Minister of Finance. The Fund is used as a rate stabilization fund by charging or crediting annual plan deficits or surpluses to the Fund. The Fund is also used for special purpose expenditures.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Bank interest and interest earned on investments are reported on the statement of activity on the accrual basis.

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized discounts are reported separately on the statement as deferred credits. Short term deposits are recorded on the statement of financial position at cost.

c) Discounts

Discounts are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 2002 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by Canada	$150,000	$149,839	$164,000

TRUST FUND NO. 9

MENTAL HEALTH TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 9
MENTAL HEALTH TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 28,896	$ 268,176
Short term deposits	300,000	---
Accrued interest receivable	9,103	10,991
	337,999	279,167
Investments (market value $434,756) (Note 3)	418,000	435,000
Unamortized premiums less discounts	2,488	3,512
	$ 758,487	$ 717,679

LIABILITIES AND FUND EQUITY		
Fund equity	$ 758,487	$ 717,679
	$ 758,487	$ 717,679

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 717,679	$ 673,893
Add:		
Bank interest	6,870	11,474
Interest earned on investments	34,779	33,050
	41,649	44,524
Deduct:		
Amortization of premiums less discounts	841	738
Fund equity at end of year	$ 758,487	$ 717,679

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

TRUST FUND NO. 9
MENTAL HEALTH TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

Treasury Board Minute 77-140 directed that the bequest to the Province from the Estate of Caroline deLancy Torrie be held in a Trust Fund to be administered by the Department of Finance. As stipulated in the will, the funds are to be used for the treatment, by psychoanalysis, of deserving New Brunswickers.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Bank interest and interest earned on investments are reported on the statement of activity on the accrual basis.

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized premiums less discounts are reported separately on the statement as deferred charges. Short term deposits are recorded on the statement of financial position at cost.

c) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 2002 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$308,000	$305,797	$318,785
Bonds and debentures issued or guaranteed by other Provinces.....	110,000	114,691	115,971
	$418,000	$420,488	$434,756

FINANCIAL STATEMENTS

PROVINCIAL COURT JUDGES' PENSION PLANS

31 MARCH 2002

Office of the Auditor General
Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Peter Mesheau
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Provincial Court Judges' Pension Plans as at 31 March 2002 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plans' trustee. 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 the Plans' trustee, 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 Plans as at 31 March 2002 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
31 October 2002

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 MARCH 2002

	2002	2001
ASSETS		
Investments (note 3)	$ 22,341,936	$ 21,247,947
Employee contributions receivable	17,922	41,391
Total assets	22,359,858	21,289,338
LIABILITIES		
Accounts payable	47,588	4,587
Deferred employer contributions	1,177,033	-
Total liabilities	1,224,621	4,587
NET ASSETS AVAILABLE FOR BENEFITS	$ 21,135,237	$ 21,284,751

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 MARCH 2002

	2002	2001
INCREASE IN ASSETS		
Investment income (note 4)	$ 690,056	$ -
Securities lending	644	584
Pension contributions		
Employee	242,532	233,303
Province of New Brunswick	156,301	1,796,000
Total increase in assets	1,089,533	2,029,887
DECREASE IN ASSETS		
Investment loss (note 4)	-	1,645,778
Pensions	1,170,709	1,096,021
Administrative expenses	35,378	10,000
Investment management fees	27,312	20,786
Harmonized Sales Tax (note 5)	5,648	-
Total decrease in assets	1,239,047	2,772,585
INCREASE (DECREASE) IN NET ASSETS	(149,514)	(742,698)
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	21,284,751	22,027,449
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 21,135,237	$ 21,284,751

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

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

1. Description of Plans

Judges appointed prior to 18 February 2000 may choose a pension plan under either the Provincial Court Act (PCA) or the Provincial Court Judges' Pension Act (PCJPA). Judges appointed on or after that date fall under the Provincial Court Judges' Pension Act.

All transactions related to these plans are made through this Trust Fund except those related to the Supplementary benefits available under the Provincial Court Judges' Pension Act. These Supplementary benefits exceed the maximum benefits allowed under the Income Tax Act. The Consolidated Fund of the Province pays these Supplementary benefits.

The following description of the Provincial Court Judges' Pension Plans is a summary only. For more information, reference should be made to the Provincial Court Act or the Provincial Court Judges' Pension Act.

(a) Judges' Pension Plan under the Provincial Court Act (PCA)

i. General

The Plan is a contributory defined benefit pension plan covering Provincial Court Judges appointed prior to 18 February 2000 who did not elect a pension under the PCJPA. The plan is established under the authority of the Provincial Court Act and its regulations.

ii. Funding Policy

Under the Plan, the Plan members and the Plan sponsor make contributions. The determination of the value of benefits owed by the Plan is made on the basis of an actuarial valuation (see note 6).

iii. Service Pensions

Pension benefits are equal to 60% of the final salary less 0.7% of the 3 year average of the year's maximum pensionable earnings (YMPE) for each year of pensionable service after 31 August 1966. Pension benefits are integrated with the Canadian Pension Plan at age 65 and are indexed annually to a maximum of 6%.

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

iv. Disability Benefits

A disability pension is available in the amount of 60% of the salary being paid on the date on which the judge becomes entitled to be paid a disability benefit with a minimum of 2 years of pensionable service.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

1. Description of Plans (continued)

v. Death Benefits

In the event of death in service and if less than 2 years of service, the member's contributions with interest to the date of death will be refunded to the spouse or estate. However, if the member was entitled to a vested pension, a spousal pension of 50% of the pension benefit is payable, and if there is no spouse but there is a child, a pension is paid in respect of the child until age 18.

If a member dies after retirement, payments will be continued to the member's spouse for the balance of his/her lifetime at 50% of the amount payable to the member.

vi. Benefits on Termination

On termination of employment, with less than 10 years of pensionable service, a member will receive a refund of his own contributions, accumulated with interest, to the date of termination. A judge who is not eligible for an unreduced pension because he/she has not attained the age of 65 years or does not have 25 years of service may be eligible for a reduced annuity.

vii. Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

(b) Judges' Pension Plan under the Provincial Court Judges' Pension Act (PCJPA)

i. General

The Plan is a contributory defined benefit pension plan covering all Provincial Court Judges appointed on or after 18 February 2000. Judges appointed prior to 18 February 2000 may choose a pension under the PCA or the PCJPA. The plan is established under the authority of the Provincial Court Judges' Pension Act and its regulations.

ii. Funding Policy

Under the Plan, the Plan members and the Plan sponsor make contributions. The determination of the value of benefits owed by the Plan is made on the basis of an actuarial valuation (see note 6).

iii. Service Pensions

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. Maximum pension credits to be accumulated equals 23.63 years of service.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

1. Description of Plans (continued)

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 60. There are options for judges to choose alternate survivor pensions and guarantee periods.

There is no mandatory retirement age although contributions are to cease when the maximum pension benefit of 65% is reached or after the day following the last day of the year in which the member attains age 69. Payment of pension benefits must commence on the day following the last day of the year in which the member attains age 69.

iv. Disability Benefits

A disability benefit is available in the amount of 60% of the salary being paid at the date of disability and is payable to age 65. At age 65, the disability benefit ceases and the judge must retire and be paid a disability pension equal to 2.75% times the number of years projected to age 65 times the average salary at the date of disability.

v. Death Benefits

In the event of death in service where the judge had at least two years of pensionable service and was under age 65, a spousal pension is payable in the amount of 50% of the annual pension that would have been payable if the judge had continued in service as a judge to the age of 65 based on the average salary at the time of death. If there is no spouse but there is a child, a pension is paid in respect of the child until age 19. If the child is in full-time attendance at an educational institution, a pension is paid in respect of the child until the age of 25 or when the child ceases to be in full-time attendance at the educational institution, whichever occurs first.

In the event of death in service where the judge had at least two years of pensionable service and was age 65 but not yet 69, a spousal pension is payable in the amount of 50% of the annual pension that would have been payable to the judge if the judge had retired on the date of his/her death. If there is no spouse but there is a child, a pension is paid in respect of the child until age 19. If the child is in full-time attendance at an educational institution, a pension is paid in respect of the child until the age of 25 or when the child ceases to be in full-time attendance at the educational institution, whichever occurs first.

The normal form of pension for a surviving spouse if the member dies after retirement is payable in the amount of 50% of the annual pension being paid to the judge on the date of the judges' death. If there is no spouse but there is a child, a pension is paid in respect of the child until age 19. If the child is in full-time attendance at an educational institution, a pension is paid in respect of the child until the age of 25 or when the child ceases to be in full-time attendance at the educational institution, whichever occurs first.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

1. Description of Plans (continued)

Alternate provisions include:

If a member dies after retirement, and the judge had a surviving spouse at the time of retirement and elected a higher spousal benefit in exchange for a reduced pension, the spousal benefit is payable in accordance with the option chosen at retirement (e.g. 60%, 66 2/3%, 75% or 100%). A member may also elect at the same time to have guaranteed payments made to the surviving spouse and estate for a period of 5, 10, or 15 years after pension benefits have commenced being paid to the member. These options are only available to the spouse who is a spouse at the date the annual pension commences to be paid at the time of the judges' retirement.

A judge with no spouse or dependent child may elect to be paid a reduced pension with guaranteed payment to the judge's estate for the period of 5, 10, or 15 years.

vi. Benefits on Termination

On termination of employment, with less than 2 years of pensionable service, prior to entitlement to a pension, a member will receive a refund of his own contributions, accumulated with interest, to the date of termination. On termination of employment, with 2 years of pensionable service and who is less than 60 years of age, the member is eligible for a deferred pension at age 60 or reduced benefits prior to age 60.

vii. Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to income taxes.

Transitional Provisions (Judges appointed prior to 18 February 2000)

A judge who ceases to make contributions when the maximum pension has been reached or when reaching 69 years, or has elected a reduced pension, guaranteed payments, early retirement, or deferred pension under the PCJPA, shall be deemed to have elected to be paid benefits only under the PCJPA and the election is irrevocable.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plans as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plans for the fiscal period, but they do not portray the funding requirements of the Plans or the benefit security of individual plan members.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

2. Summary of Significant Accounting Policies (continued)

(b) Investments

On 1 April 1998, the assets of the Provincial Court Judges' Pension Plans were transferred to unit trust funds established by the New Brunswick Investment Management Corporation (NBIMC).

All investments of the Plans are represented by holdings of units of the unit trust funds. The total value is based on the calculated net asset value multiplied by the number of units held.

Investments are valued at their fair value as of the date of the financial statements. For securities listed on an exchange, fair value is the closing price listed on the exchange. If no closing price is available, the average of the latest bid and ask prices is used. Securities not listed on an exchange are valued based on a quotation service from a recognized dealer. Investments in money market instruments are reported at cost, which approximates market value. Investments denominated in a foreign currency are translated into their Canadian dollar equivalents at the year-end exchange rate.

(c) Revenue Recognition

All investment transactions are recognized as of their trade date. Interest income and dividend income have been accrued at year-end. Transactions denominated in a foreign currency are translated at the exchange rate prevailing at the time of the transaction.

Derivative products such as foreign exchange contracts, futures and swaps are recorded at the value the unit trust funds would have paid or received had the contract been terminated at the year-end date. The resulting gain or loss is included in investment income.

Both realized and unrealized gains and losses are included in investment income.

3. Investments

(a) Trustee

The assets of the Provincial Court Judges' Pension Plans are held in trust by NBIMC. NBIMC was appointed as trustee on 11 March 1996 by an Act of the New Brunswick Legislature which bears its name (NBIMC Act) and assumed responsibility for the management of the Fund's assets effective 1 April 1996.

(b) Investments

There are currently 13 unit trust funds, each with a specific investment mandate. The unit trust funds are established pursuant to a Unit Trust Declaration made by the NBIMC on 1 April 1998. Each fund is an open-end, unincorporated trust, governed by the laws of the Province of New Brunswick.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

Following is a description of each unit trust fund in existence during the year ended March 31, 2002:

Nominal Bond:

Invests primarily in investment grade bonds (a minimum of triple-B rated by a major rating agency) of G-7 countries and Canadian provinces paying a nominal rate of interest. The return objective is to add 20 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

New Brunswick Fixed Income Opportunity:

Invests primarily in fixed income issues to finance economic activity in New Brunswick. The return objective is to add 20 basis points to its benchmark, the Scotia Capital All Government Index, over a four-year moving average.

Inflation Linked Securities:

Invests primarily in fixed income instruments of G-7 countries that are adjusted for inflation. The return objective is to add 10 basis points to its benchmark, the Scotia Capital Real Return Bond Index, over a four-year moving average.

Money Market:

Invests primarily in fixed income securities having a maturity of less than one year. The return objective is to add 20 basis points to its benchmark, which is calculated as 80% of the Scotia Capital 91-Day Treasury Bill Index and 20% of the Call Loan Rate.

Allocation Equity International:

This fund is used to implement asset allocation decisions and diversify equity investments by participating in the equity markets of the U.S., Japan, the U.K., Germany, France and Italy. Its primary investments are derivative products such as futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments.

Allocation Equity Domestic:

This fund is used to implement asset allocation decisions by investing in the Canadian equity market. Its primary investments are derivative products such as futures, options and swaps. Leverage is avoided by ensuring each derivative product is supported by an appropriate value of short-term investments.

New Brunswick and Atlantic Canada Equity Opportunity:

This fund invests in public and private equities or instruments convertible into equities of New Brunswick and Atlantic Canada companies. The return objective is to add 80 basis points to its benchmark, the TSE 300, over a four-year moving average.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

Canadian Equity:

Investments are selected primarily from the top 120 companies on the Toronto Stock Exchange. The return objective is to add 80 basis points to its benchmark, the TSE 300, over a four-year moving average.

TSE Small-Cap:

Managed by an external manager, this fund invests primarily in the bottom 180 companies of the TSE 300 Index. The return objective is to exceed the performance of its benchmark, the S&P/TSE Small-Cap Index, by 100 basis points.

Private Equity:

This fund, which was launched on February 1, 2001, is managed by external managers that invest primarily in non-publicly traded securities of U.S. and European companies. The return objective is to exceed the performance of its benchmark, a blend of the S&P 500, FTSE-100, DAX, CAC-40 and MIB-30 total return indices, by 300 basis points over a four-year moving average.

U.S. Real Estate:

This fund, which was launched on February 1, 2001, is managed by an external manager that invests primarily in publicly traded securities of U.S. Real Estate Investment Trusts. The return objective is to add 150 basis points to the NAREIT®Equity Index.

Public Equity:

This fund, which was launched on August 15, 2001, is managed by external managers. Two managers are currently in place, with each having 50% allocation of total assets. One manager invests primarily in U.S. publicly-traded companies and has a return objective of 200 basis points above the S&P 500 Total Return index. The other manager invests primarily in European publicly-traded companies and has a return objective of 200 basis points above its benchmark, an equal blend of the total return indices for the FTSE-100, DAX, CAC-40 and MIB-30 indices.

Student Investment:

This fund is managed by students at the University of New Brunswick who are registered in the Student Investment Fund Program. Its initial base was $1 million and is to be invested using the same philosophy as that used by NBIMC. The overall benchmark for this fund is composed of 50% S&P/TSE 60, 45% Scotia Capital All Government Index and 5% Scotia Capital 91-Day Treasury Bill Index. The activities of this fund are closely monitored by NBIMC staff who execute and process all transactions on behalf of the students.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

The following table reflects the holdings of the Provincial Court Judges' Pension Plans in the unit trust funds for which NBIMC is trustee.

	Units	Unit Value	2002 Amount	2001 Amount
Fixed Income:				
Nominal Bond	4,657	$ 1,162	$ 5,415,752	$ 5,091,676
New Brunswick Fixed Income Opportunity	128	1,242	159,524	164,731
			5,575,276	5,256,407
Inflation Linked Securities	2,125	1,275	2,708,836	2,412,169
Money Market	929	1,165	1,082,980	661,022
			9,367,092	8,329,598
Equities:				
Allocation Equity International	3,313	1,094	3,624,173	4,439,676
Allocation Equity Domestic	234	1,391	325,103	910,651
New Brunswick and Atlantic Canada Equity Opportunity	176	1,281	225,858	158,009
Canadian Equity	5,782	1,098	6,347,192	5,813,110
TSE Small-Cap	594	1,195	709,339	509,177
Private Equity	809	830	671,089	617,473
U.S. Real Estate	392	1,190	466,960	465,774
Public Equity	626	960	600,453	-
			12,970,167	12,913,870
Balanced:				
Student Investment	4	1,291	4,677	4,479
			$ 22,341,936	**$ 21,247,947**

(c) Risk Management

Rates of return vary based on the degree of uncertainty. The fundamental sources of uncertainty to which investments are exposed are credit risk and price risk. Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Price risk is comprised of currency risk, interest rate risk and market risk. Currency risk is the risk that the value of an investment will fluctuate due to future changes in foreign exchange rates. Interest rate risk is the risk that the value of an investment will fluctuate due to future changes in market interest rates. Market risk is the risk that the value of a financial instrument will fluctuate as a result of future changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

3. Investments (continued)

Risk is reduced through asset class diversification, diversification within each asset class, quality constraints on fixed income instruments and restrictions by limiting most investments to G-7 countries. Borrowing or leveraging is not allowed. Controls are in place respecting the use of derivatives. Forward foreign exchange contracts are used to manage currency exposure in connection with securities purchased in foreign currency.

4. Investment Income

The following table reflects the investment income of the Provincial Court Judges' Pension Plans in each of the unit trust plans for which NBIMC is trustee for the year ended 31 March 2002.

	Interest	Dividends	Current Period Increase/ (Decrease) in Market Value	Total
Fixed Income:				
Nominal Bond	$ 287,871	$ -	$ (32,532)	$ 255,339
New Brunswick Fixed Income Opportunity	11,247	-	(3,145)	8,102
	299,118	-	(35,677)	263,441
Inflation Linked Securities	91,581	-	(22,434)	69,147
Money Market	41,914	-	(6,960)	34,954
	432,613	-	(65,071)	367,542
Equities:				
Allocation Equity International	171,845	-	(394,699)	(222,854)
Allocation Equity Domestic	26,533	-	45,836	72,369
New Brunswick and Atlantic Canada Equity Opportunity	7,519	6,939	(4,450)	10,008
Canadian Equity	20,792	3,368	267,693	291,853
TSE Small-Cap	191	11,664	87,015	98,870
Private Equity	25,776	-	(34,114)	(8,338)
U.S. Real Estate	262	30,520	63,723	94,505
Public Equity	249	2,634	(16,980)	(14,097)
	253,167	55,125	14,024	322,316
Balanced:				
Student Investment	137	41	20	198
Total - 2002	**$ 685,917**	**$ 55,166**	**$ (51,027)**	**$ 690,056**
Total - 2001	**$ 786,376**	**$ 36,043**	**$ (2,468,197)**	**$ (1,645,778)**

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

5. Harmonized Sales Tax

After extensive discussions between NBIMC and the Canada Customs and Revenue Agency, it was determined that NBIMC was obligated to collect and remit Harmonized Sales Tax (HST) on the fees it charges to the pension funds under its trusteeship. As a result, NBIMC voluntarily collected and remitted HST to Canada Customs and Revenue Agency for the years 1996 to 2001 during 2002. This amount is reported as a separate item on the statement of changes in net assets. HST related to the 2001-2002 fiscal year has been included under the caption "Investment management fees" on the statement of changes in net assets.

6. Funding Policy

Effective February 18, 2000 members 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 under the registered portion of the plan. Contributions must cease when the maximum pension benefit amount (65% of average salary) is reached or age 69 whichever occurs earlier.

If additional amounts are required to amortize any unfunded liability in relation to benefits payable under the registered portion of the plan as determined by an actuarial valuation, the Minister of Finance shall, at the request of Board of Management, pay equal annual installments over a period determined by the Minister out of the Consolidated Fund into the Trust Fund.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco, a firm of consulting actuaries, as of 1 April 2001. This valuation disclosed an unfunded liability at 1 April 2001.

7. Obligation for Pension Benefits

The present value of accrued pension benefits was determined using the accrued benefit actuarial cost method, prorated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 April 2002 by Morneau Sobeco.

Significant long-term assumptions used in the valuation are:

Rate of return on assets	7.9%
Annual wage and salary increase	4.5%
Inflation	3.5%
Rate of pension escalation after retirement	Subject to 5% maximum- 3.3% Subject to 6% maximum- 3.4%

TRUST FUND NO. 10
PROVINCIAL COURT JUDGES' PENSION PLANS
NOTES TO FINANCIAL STATEMENTS
31 MARCH 2002

7. Obligation for Pension Benefits (continued)

The actuarial present value of the total benefits as at 31 March and the principal components of changes in actuarial present values during the year were as follows:

	2002 (in millions)
Actuarial present value of accrued pension benefits at beginning of year	$ 23.07
Interest accrued on benefits	1.82
Benefits accrued	0.97
Benefits paid	(1.17)
Experience gains	(0.12)
Actuarial present value of accrued pension benefits at end of year	$ 24.57
Net assets available for benefits	$ 21.14

Any benefits exceeding those allowed under the Income Tax Act are paid by the Consolidated Fund and not Trust Fund 10. For fiscal year ending 31 March 2002:

Actuarial present value of accrued pension benefits to be paid through the Consolidated Fund	$3,045,500
Actuarial present value of accrued pension benefits to be paid by this Fund	$21,524,300

8. Investments in Plan Sponsor

As at 31 March 2002, the Provincial Court Judges' Pension Plans held:

- 0.3% of the total nominal bond unit trust fund of $1,756,898,534. Of this total, $11,481,955 consisted of Province of New Brunswick and Province of New Brunswick guaranteed securities.
- 0.4% of the total $283,523,479 in the Money Market Fund. Of this total, $26,939,783 consisted of short term Province of New Brunswick guaranteed securities.
- 0.4% of the total $1,313,557 in the Student Investment Fund. Of this total, $63,178 consisted of Province of New Brunswick securities.

TRUST FUND NO. 16

MARGARET R. LYNDS BEQUEST

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 16
MARGARET R. LYNDS BEQUEST
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 10,514	$ 62,000
Accrued interest receivable	2,098	1,940
	12,612	63,940
Investments (market value $113,456) (Note 3)	110,000	60,000
Deferred Charges:		
Unamortized premiums less discounts	(27)	(353)
	$ 122,585	$ 123,587

LIABILITIES AND FUND EQUITY		
Fund equity	$ 122,585	$ 123,587
	$ 122,585	$ 123,587

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 123,587	$ 123,684
Add:		
Bank interest	1,186	2,839
Interest earned on investments	6,489	6,047
	7,675	8,886
Deduct:		
Payment of E. Belle Lynds Scholarships	8,505	8,604
Amortization of premiums less discounts	172	379
	8,677	8,983
Fund equity at end of year	$ 122,585	$ 123,587

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

TRUST FUND NO. 16
MARGARET R. LYNDS BEQUEST
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

The Margaret R. Lynds Bequest Fund is held in trust by the Minister of Finance under the authority of the Last Will and Testament of Margaret R. Lynds, and a Decree Varying Trust issued by the Court of Queen's Bench of New Brunswick. Investment income from the Fund is used to award a maximum of three annual scholarships, of equal value, to students pursuing the study of communications at specified Universities. For the year ending 31 March 2002, three scholarships were awarded.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Bank interest and interest earned on investments are reported on the statement of activity on the accrual basis.

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized premiums less discounts are reported separately on the statement as deferred charges.

c) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 2002 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$ 85,000	$ 84,605	$ 87,153
Bonds and debentures issued or guaranteed by other Provinces	25,000	25,368	26,303
	$110,000	$109,973	$113,456

TRUST FUND NO. 19

THE NEW BRUNSWICK POWER CORPORATION SINKING FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 19
THE NEW BRUNSWICK POWER CORPORATION SINKING FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 2,100	$ 25,827
Accrued interest receivable	848,468	848,468
	850,568	874,295
Investments (market value $33,051,322) (Note 2)	34,170,000	29,573,000
Deferred charges:		
Unamortized premiums less discounts	(2,825,840)	(1,598,215)
	$ 32,194,728	$ 28,849,080

LIABILITIES AND FUND EQUITY		
Fund equity	$ 32,194,728	$ 28,849,080
	$ 32,194,728	$ 28,849,080

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

TRUST FUND NO. 19
THE NEW BRUNSWICK POWER CORPORATION SINKING FUND
STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 28,849,080	$ 51,167,562
Add:		
Bank interest	1,460	2,802
Interest earned on investments	1,835,848	2,431,770
Net gain on disposal of debentures	-	204,583
Sinking fund installments	1,250,000	2,000,000
Amortization of discounts less premiums	258,340	(1,220,638)
	3,345,648	3,418,517
Deduct:		
Funds provided for redemption of debentures:		
12.50% 01 May 2005	-	25,736,999
	-	25,736,999
Fund equity at end of year	$ 32,194,728	$ 28,849,080

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

TRUST FUND NO. 19
THE NEW BRUNSWICK POWER CORPORATION SINKING FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. Summary of Significant Accounting Policies

a) The Accounting Entity

The New Brunswick Power Corporation Sinking Fund is held in trust by the Minister of Finance under the authority of Section 15 of the Electric Power Act. The Act provides that the Corporation shall pay to the Minister such payments for sinking fund purposes as may be required by the terms of any bond or debenture issue and such funds shall be retained and invested for the account of the Corporation to make payment at the maturity of any such bonds or debentures.

b) Accrual Accounting

Interest earned on investments is reported on the statement of activity on the accrual basis.

c) Foreign Currency Translation

Investments and accrued interest receivable on securities held in foreign currencies are translated at the rate of exchange prevailing at the statement of financial position date. Unrealized gains and losses arising on translation of long-term investments are deferred and amortized to income on a straight-line basis over the remaining life of the related security.

d) Valuation of Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized discounts less premiums and the unamortized balance of unrealized foreign exchange gains or losses are reported separately on the statement as deferred credits or charges. Short term deposits are reported on the statement of financial position at cost.

e) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

For investments in bonds and debentures in foreign currencies, the cost of investments is amortized to Canadian dollar par value, calculated as foreign currency par value at the exchange rate at the date the fund purchased the investment.

2. Investments

Value of the investments at 31 March 2002 is as follows:

	Par Value	Carrying Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$ 34,170,000	$ 31,344,161	$ 33,051,322
	$ 34,170,000	$ 31,344,161	$ 33,051,322

TRUST FUND NO. 20

VISCOUNT BENNETT BEQUEST

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 20
VISCOUNT BENNETT BEQUEST
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at March 31, 2002

ASSETS	2002	2001
Current:		
Cash	$ 16,354	$ 95,468
Accrued interest receivable	4,243	4,179
	20,597	99,647
Investments (market value $221,759) (Note 3)	212,000	135,000
Deferred Charges:		
Unamortized premiums less discounts	925	1,023
	$ 233,522	$ 235,670

LIABILITIES AND FUND EQUITY		
Current liabilities:		
Unexpended trust income (Note 4)	$ 30,492	$ 32,640
Fund equity	203,030	203,030
	$ 233,522	$ 235,670

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

STATEMENT OF ACTIVITY
(unaudited)
for the Year Ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 203,030	$ 203,030
Add:		
Bank interest	1,768	5,612
Interest earned on investments	14,462	11,264
	16,230	16,876
Deduct:		
Amortization of premiums less discounts	320	292
Trust income available for expenditure	15,910	16,584
	16,230	16,876
Fund equity at end of year	$ 203,030	$ 203,030

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

TRUST FUND NO. 20
VISCOUNT BENNETT BEQUEST
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

The Viscount Bennett Bequest is held in trust by the Minister of Finance under the authority of Board of Management Minute 88-0051. The income from the fund is used for the development of the Province's historic resources.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Bank interest and interest earned on investments are reported on the statement of activity on the accrual basis.

b) Investments

Investments in bonds and debentures are reported on the statement of financial position at par value. Unamortized premiums less discounts are reported separately on the statement as deferred charges.

c) Discounts and Premiums

Discounts and premiums are deferred and amortized to income on a constant yield basis over the remaining life of the related security.

3. Investments

Value of the investments at 31 March 2002 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	$167,000	$167,751	$173,572
Other bonds and debentures	45,000	45,174	48,187
	$212,000	$212,925	$221,759

4. Unexpended Trust Income

Unexpended trust income from the date of inception of the fund is recorded on the balance sheet as a current liability. This represents the amount available for expenditure for the purposes of the trust.

Changes in the balance of unexpended trust income during the year were as follows:

Unexpended trust income at beginning of year	$32,640
Add: Trust income for the year	15,910
	48,550
Less: Grants paid	18,058
Unexpended trust income at end of year	$30,492

TRUST FUND NO. 23

ARTS DEVELOPMENT TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 23
ARTS DEVELOPMENT TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 5,120	$ 29,299
Short term deposits (par value $1,000,000)	1,000,000	1,400,000
Lottery revenue receivable	---	641,405
Accrued interest receivable	232	299
	$ 1,005,352	$ 2,071,003

LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	$ 490,000	$ 1,039,420
Fund equity	515,352	1,031,583
	$ 1,005,352	$ 2,071,003

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

STATEMENT OF ACTIVITY
(unaudited)
for the Year Ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 1,031,583	$ 1,293,611
Add:		
Lottery revenues	700,000	700,000
Investment income	31,759	75,489
Bank interest	2,010	1,903
	733,769	777,392
Deduct:		
Arts development expenditures	1,250,000	1,039,420
Fund equity at end of year	$ 515,352	$ 1,031,583

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

TRUST FUND NO. 23
ARTS DEVELOPMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

The Arts Development Trust Fund is established under the authority of the Arts Development Trust Fund Act. The Act provides that the net profits of the Lotteries Commission of New Brunswick from the lottery scheme designated under paragraph 11.1(a) of the Lotteries Act shall be paid into the Fund. In the event that the amount paid pursuant to paragraph 11.1(a) does not total seven hundred thousand dollars, an amount sufficient to ensure that the total amount paid equals seven hundred thousand dollars shall be paid into the Fund. The Fund is held in trust by the Minister of Finance and assets of the Fund are used to provide grants to individuals and arts organizations so as to promote artistic creation and excellence in the Arts.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis.

b) Short Term Deposits

Short term deposits are reported on the statement of financial position at cost.

TRUST FUND NO. 24

SPORT DEVELOPMENT TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 24
SPORT DEVELOPMENT TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 235,687	$ 162,486
Lottery revenue receivable	---	438,552
Accrued interest receivable	227	655
	$ 235,914	$ 601,693

LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	$ 144,887	$ 500,232
Fund equity	91,027	101,461
	$ 235,914	$ 601,693

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

STATEMENT OF ACTIVITY
(unaudited)
for the Year Ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 101,461	$ 104,321
Add:		
Lottery revenues	500,000	500,000
Investment income	219	---
Bank interest	3,351	7,372
	503,570	507,372
Deduct:		
Sport development expenditures	514,004	510,232
Fund equity at end of year	$ 91,027	$ 101,461

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

TRUST FUND NO. 24
SPORT DEVELOPMENT TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

The Sport Development Trust Fund is established under the authority of the Sport Development Trust Fund Act. The Act provides that the net profits of the Lotteries Commission of New Brunswick from the lottery scheme designated under paragraph 11.1(b) of the Lotteries Act shall be paid into the Fund. In the event that the amount paid pursuant to paragraph 11.1(b) does not total five hundred thousand dollars, an amount sufficient to ensure that the total amount paid equals five hundred thousand dollars shall be paid into the Fund. The Fund is held in trust by the Minister of Finance and assets of the Fund are used to provide grants to individual athletes and sport organizations to promote leadership and excellence in sport.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis.

b) Short Term Deposits

Short-term deposits are reported on the statement of financial position at cost.

TRUST FUND NO. 25

NEW BRUNSWICK PUBLIC LIBRARIES TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 25
NEW BRUNSWICK PUBLIC LIBRARIES TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 116,077	$ 111,894
Accrued interest receivable	173	451
	$ 116,250	$ 112,345

LIABILITIES AND FUND EQUITY

Fund equity	$ 116,250	$ 112,345
	$ 116,250	$ 112,345

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 112,345	$ 106,522
Add:		
Bank interest	3,905	5,823
Fund equity at end of year	$ 116,250	$ 112,345

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

TRUST FUND NO. 25
NEW BRUNSWICK PUBLIC LIBRARIES TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

The New Brunswick Public Libraries Trust Fund is established under the authority of the New Brunswick Public Libraries Foundation Act. The Fund is held in trust by the Minister of Finance. The purpose of the Foundation includes receiving gifts of real and personal property to support public libraries and public library services in the Province.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are reported on the accrual basis.

TRUST FUND NO. 29

ENVIRONMENTAL TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2002

TRUST FUND NO. 29
ENVIRONMENTAL TRUST FUND
STATEMENT OF FINANCIAL POSITION
(unaudited)
as at 31 March 2002

ASSETS	2002	2001
Current:		
Cash	$ 69,675	$ 51,373
Short term deposits (par value $ 3,500,000)	3,500,000	2,100,000
Environmental fees receivable	850,851	833,792
Accrued interest receivable	673	602
	$ 4,421,199	$ 2,985,767

LIABILITIES AND FUND EQUITY

Current liabilities:		
Accounts payable	$ 2,675,787	$ 1,573,915
Fund equity	1,745,412	1,411,852
	$ 4,421,199	$ 2,985,767

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

STATEMENT OF ACTIVITY
(unaudited)
for the year ended 31 March 2002

	2002	2001
Fund equity at beginning of year	$ 1,411,852	$ 1,369,130
Add:		
Environmental fees	4,943,860	4,698,236
Interest earned on investments	84,716	195,746
Bank interest	4,259	6,288
	5,032,835	4,900,270
Deduct:		
Expenditures	4,699,275	4,857,548
Fund equity at end of year	$ 1,745,412	$ 1,411,852

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

TRUST FUND NO. 29
ENVIRONMENTAL TRUST FUND
NOTES TO FINANCIAL STATEMENTS
(unaudited)
31 MARCH 2002

1. General

The Environmental Trust Fund is established under the authority of the Environmental Trust Fund Act. The Beverage Containers Act provides that fifty per cent of the environmental fees shall be paid into the Fund.

Under the Environmental Trust Fund Act, the Minister of Finance is the custodian and trustee of the Fund. The assets of the Fund are to be used to pay for costs incurred to provide for environmental protection and restoration, and to promote the sustainable development of natural resources within the Province.

2. Summary of Significant Accounting Policies

a) Basis of Accounting

Revenues and expenditures are recorded on the accrual basis.

b) Short Term Deposits

Short term deposits are reported on the statement of financial position at cost.

FINANCIAL STATEMENTS

PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS

31 DECEMBER 2001

Office of the Auditor General | Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Peter Mesheau
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for Management Employees of New Brunswick School Districts as at 31 December 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. 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 the Plan's trustee, 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 Plan as at 31 December 2001 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
3 May 2002

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 2001

	2001	2000
ASSETS		
Investments		
Money market instruments	$ 1,053,985	$ 344,540
Bonds and debentures	6,960,740	7,632,516
Canadian common stocks	3,898,754	4,646,000
Foreign pooled equities	1,378,180	1,828,815
	13,291,659	14,451,871
Receivables		
Accrued interest and dividends	80,419	66,334
Cash	2,335	4,193
Total assets	13,374,413	14,522,398
LIABILITIES		
Accounts payable	11,163	44,208
Total liabilities	11,163	44,208
NET ASSETS AVAILABLE FOR BENEFITS	$ 13,363,250	$ 14,478,190

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000
INCREASE IN ASSETS		
Investment income		
Interest	$ 420,412	$ 477,779
Dividends	322,070	436,375
Pension contributions - employee	3,160	-
Total increase in assets	745,642	914,154
DECREASE IN ASSETS		
Current period decrease in market value of investments	1,092,719	71,501
Pensions	703,067	640,627
Refunds	5,340	8,190
Investment management fees	40,271	23,522
Custodial fees	12,460	10,574
Administrative expenses	6,725	381
Total decrease in assets	1,860,582	754,795
INCREASE (DECREASE) IN NET ASSETS	(1,114,940)	159,359
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	14,478,190	14,318,831
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 13,363,250	$ 14,478,190

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

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

1. Description of Plan

The following description of the Pension Plan for Management Employees of New Brunswick School Districts is a summary only. For more information, reference should be made to the Plan Document.

(a) General

The Plan is a contributory defined benefit pension plan which provides retirement benefits for Management Employees of New Brunswick School Districts and their dependents. The Plan is administered by the Office of Human Resources, with investment matters being advised on by the Department of Finance.

(b) Funding Policy

Prior to 1 September 1996, plan members contributed a percentage of their salaries and the employer was required to contribute the balance of the cost of providing accrued benefits under the Plan. The determination of the value of benefits is made on the basis of an actuarial valuation (see note 3).

Effective 1 September 1996, all active contributors to the plan ceased and those individuals still employed commenced membership in the Public Service Superannuation Plan.

(c) Service Pensions

Effective January 1996, normal retirement pension equals 2.0% (for service before 1990) and 1.5% (for service after 1989) of average annual salary during the highest paid continuous 5 years up to the year's maximum pensionable earnings (YMPE) and 2% of the average salary above the YMPE multiplied by the number of years of pensionable service. The pension continues for the lifetime of the pensioner. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 3%.

Normal retirement age is 65. Unreduced pension is available at age 60 with 5 years of pensionable service. Reduced benefits are available at age 55 with 5 years pensionable service.

A past service grant was provided for services rendered between 1 January 1967 and 1 March 1974 for individuals hired as management employees of NB School Boards prior to 1 March 1974 who have been continuously employed by a School Board and who were active contributors to the plan at 1 January 1996.

Individuals had until 31 December 1996 to decide on the following options with respect to accrued benefits under the said plan:

a) take advantage of the intra-provincial reciprocal pension transfer agreement,
b) transfer the value of their pension to the Public Service plan, or
c) obtain a refund of contributions with interest, which was only permitted if the individual was not successful in obtaining employment covered by the Public Service Superannuation Act.

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

1. Description of Plan (Continued)

(d) Death Benefits

If a vested member dies after retirement and has a spouse or dependent children then an immediate 50% spouse's or dependent's pension is payable. If a member dies prior to retirement a refund of the member's required contributions with interest is payable to the deceased member's beneficiary.

(e) Benefits on Termination

Upon termination of employment, a member who has less than 5 years of pensionable service is entitled to a refund of contributions made to the Plan with accumulated interest. A member with more than 5 years pensionable service may elect to receive an annual pension payable commencing on his normal retirement date or a refund of contributions made to the Plan with accumulated interest.

(f) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to taxes on income.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

All investments are recorded as of settlement date. Investments are carried at market value except for money market instruments, which are carried at cost.

(c) Foreign Currency Translation

Investments in equities denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the statement of net assets available for benefits.

3. Funding Policy

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.

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

3. Funding Policy (Continued)

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of 1 September 1996. This valuation disclosed fully funded accrued benefits as at 1 September 1996. Currently, a valuation is being prepared as at December 31.

4. Obligation for Pension Benefits

The present value of accrued pension benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 January 1993 by Morneau Sobeco, a firm of consulting actuaries, and was then extrapolated to 31 December 2001.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	8.16%	6.08% to 7.64%
Annual wage and salary increase	4.75%	1.5% to 4.0%
Inflation	4.00%	2.0% to 3.5%
Rate of pension escalation after retirement	2.00%	2.0%

The actuarial present value of benefits as at 31 December and the principal components of changes in actuarial present values during the year, were as follows:

	(in millions)	
	2001	2000
Actuarial present value of accrued pension benefits at beginning of year	$ 9.13	$ 9.24
Interest accrued on benefits	0.53	0.54
Benefits paid	(0.71)	(0.65)
Actuarial present value of accrued pension benefits at end of year	$ 8.95	$ 9.13
Net assets available for benefits	$ 13.36	$ 14.48

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

4. Obligation for Pension Benefits (Continued)

Members in the Plan as at 1 January 1996 had to elect by 31 March 1998 whether they wished to transfer service from the Plan to the Public Service Superannuation Plan or elect a deferred pension. This information was received during 1998 and the value of the transfer calculated by the actuary was $4.32 million as at 31 March 1998. This amount, accumulated with interest to the date of transfer, was transferred to the Public Service Superannuation Plan on 30 September 1999.

5. Investments in Plan Sponsor

As at December 31, The Pension Plan for Management Employees of New Brunswick School Districts held no Province of New Brunswick bonds.

FINANCIAL STATEMENTS

PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS

31 DECEMBER 2001

Office of the Auditor General | Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Peter Mesheau
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts as at 31 December 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. 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 the Plan's trustee, 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 Plan as at 31 December 2001 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
3 May 2002

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 2001

	2001	2000
ASSETS		
Investments		
Money market instruments	$ 10,678,947	$ 12,353,203
Bonds and debentures	67,717,216	64,466,535
Canadian equities	64,447,239	60,704,033
Foreign equities	36,662,652	34,875,734
	179,506,054	172,399,505
Receivables		
Employee contributions	151,871	120,775
Employer contributions	189,217	305,888
Accrued interest and dividends	659,425	853,373
Accounts receivable	390	390
	1,000,903	1,280,426
Cash	77,842	224,532
Total assets	180,584,799	173,904,463
LIABILITIES		
Accounts payable	300,547	856,760
Total liabilities	300,547	856,760
NET ASSETS AVAILABLE FOR BENEFITS	$ 180,284,252	$ 173,047,703

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000
INCREASE IN ASSETS		
Investment income		
Interest	$ 4,488,545	$ 3,676,793
Dividends	2,352,947	1,962,390
Current period increase in market value of investments	5,516,388	20,160,672
Pension contributions		
Employee	2,183,882	2,239,678
Employer	2,088,834	2,138,001
Total increase in assets	16,630,596	30,177,534
DECREASE IN ASSETS		
Pensions	6,074,567	5,554,180
Refunds	2,508,456	2,239,828
Administrative expenses	340,079	311,596
Investment management fees	426,699	427,794
Custodial fees	23,666	22,024
Performance measurement fees	20,580	20,570
Total decrease in assets	9,394,047	8,575,992
INCREASE IN NET ASSETS	7,236,549	21,601,542
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	173,047,703	151,446,161
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 180,284,252	$ 173,047,703

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

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

1. Description of Plan

The following description of the Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Districts is a summary only. For more information, reference should be made to the Collective Agreement and Plan Document.

(a) General

The Plan is a contributory defined benefit pension plan covering General Labour, Trades and Services Employees of New Brunswick School Districts. The Plan is administered by Morneau Sobeco, under the direction and with the assistance of the Office of Human Resources, with investment matters being advised on by the Department of Finance.

(b) Funding Policy

Contributions are made by the Plan members and the Plan sponsor to fund the benefits determined under the Plan. The determination of the value of benefits is made on the basis of an actuarial valuation (see note 3).

(c) Service Pensions

Effective 1 January 2001, normal retirement pension equals 1.9% (for service before 2000) of average annual salary during the highest paid consecutive 5 years up to the year's maximum pensionable earnings (YMPE) and 2% (for service before 2000) of the average salary above the YMPE multiplied by the number of years of pensionable service plus 1.4% (for service after 2000) of average annual salary during the highest paid consecutive 5 years multiplied by the number of years of pensionable service. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

A member may elect from one of three optional forms of pensions being: 1) life pension with no guarantee period; 2) life pension with guarantee period of 5 or 10 years or 3) joint life and last survivor pension. There are also supplementary pension benefits available when the normal retirement pension is less than $1,500 per year.

Normal retirement age is 65. Unreduced pension benefits are available at age 60 with 5 years continuous employment. Reduced benefits are available on retirement as early as age 55 with 5 years of continuous employment. Bridging benefits are available for retirement commencing between the ages of 55 to 65 on an unreduced basis.

(d) Death Benefits

If a member dies prior to retirement and before completing 5 years continuous employment, the benefit payable to his beneficiary or estate is a refund of all contributions made by the member with accumulated interest.

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

1. Description of Plan (Continued)

If a member dies after 31 December 1997 and prior to retirement and has completed 5 or more years of continuous employment, the beneficiary or estate shall be paid the Commuted Value of the deferred pension as at the date of the member's death. The Commuted Value is the deferred pension to which the member would have been entitled had the member's continuous employment terminated just prior to their death. In addition, excess contributions (if applicable) to which the member would have been entitled would be refunded to the designated beneficiary or estate.

If the member dies after 31 December 1997 and after retirement and was in receipt of a pension benefit, the death benefit payable is determined in accordance with the provisions of the form of pension selected by the member.

(e) Benefits on Termination

A member who has less than 5 years of continuous employment and is terminated is entitled to a refund of contributions made to the Plan with accumulated interest.

A member with more than 5 years continuous employment who has terminated may elect to receive a deferred pension commencing on his normal retirement date or an amount equal to the Commuted Value. The Commuted Value is, as at the date of the member's termination, the deferred pension to which the member would have been entitled. The Commuted Value of the deferred pension is to be transferred on a locked-in basis to any registered retirement savings arrangement where the transfer is allowed under the Pension Benefits Act.

(f) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to taxes on income.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsors and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

b) Investments

All investments are recorded as of settlement date. Investments are carried at market value except for money market instruments, which are carried at cost.

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign Currency Translation

Investments in equities denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the statement of net assets available for benefits.

(d) Pension Contributions

Contributions are recorded in the period that the payroll deductions are made.

3. Funding Policy

In accordance with the Plan Agreement, employees are required to contribute 4.5% of their earnings up to the year's maximum pensionable earnings (YMPE) plus 6% of earnings above the YMPE. The employer is required to contribute an amount necessary in the opinion of an actuary based on an actuarial valuation, which when combined with employee contributions will provide for the benefits stipulated under the Plan. In no event shall employer-required contributions be less than 95% of employee contributions.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of 1 January 2000. This valuation disclosed that accrued benefits are fully funded.

4. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 January 2000 by Morneau Sobeco, a firm of consulting actuaries, and was then extrapolated to 31 December 2001.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	7.9%	7.9%
Annual wage and salary increase	4.0%	2.0% to 4.0%
Inflation	2.0%	2.0%
Rate of pension escalation after retirement	2.0%	2.0%

TRUST FUND NO. 31
PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

4. Obligation for Pension Benefits (Continued)

The actuarial present value of benefits as at 31 December and the principal components of changes in actuarial present values during the year, were as follows:

	(in millions)	
	2001	2000
Actuarial present value of accrued pension benefits at beginning of year	$ 140.75	$ 117.07
Effect of experience gains and losses and change in assumptions	-	6.22
Restated actuarial present value of accrued pension benefits at beginning of year	140.75	123.29
Interest accrued on benefits	10.98	9.63
Benefits accrued	5.06	5.04
Benefits paid	(8.58)	(7.79)
Plan amendments	-	10.58
Actuarial present value of accrued pension benefits at end of year	$ 148.21	$ 140.75
Net assets available for benefits	$ 180.28	$ 173.05

FINANCIAL STATEMENTS

Pension Plan for Full-Time CUPE 2745 Employees of New Brunswick School Districts

31 DECEMBER 2001

Office of the Auditor General | Bureau du vérificateur général

New Nouveau Brunswick

AUDITOR'S REPORT

To the Honourable Peter Mesheau
Minister of Finance
Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for Full-Time CUPE 2745 Employees of New Brunswick School Districts as at 31 December 2001 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's trustee. 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 the Plan's trustee, 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 Plan as at 31 December 2001 and the results of its activities for the year then ended in accordance with Canadian generally accepted accounting principles.

Daryl C. Wilson, FCA
Auditor General

Fredericton, N. B.
3 May 2002

TRUST FUND NO. 32
PENSION PLAN FOR FULL-TIME CUPE 2745 EMPLOYEES OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS
31 DECEMBER 2001

	2001	2000
ASSETS		
Investments		
Money market instruments	$ 3,163,623	$ 3,928,411
Bonds and debentures	12,262,105	12,288,714
Canadian equities	12,850,225	10,292,160
Foreign equities	6,689,825	7,244,835
	34,965,778	33,754,120
Receivables		
Employee contributions	43,636	16,036
Employer contributions	69,886	50,438
Accrued interest and dividends	132,681	196,146
	246,203	262,620
Cash	5,302	23,134
Total assets	35,217,283	34,039,874
LIABILITIES		
Accounts payable	22,163	66,341
Total liabilities	22,163	66,341
NET ASSETS AVAILABLE FOR BENEFITS	$ 35,195,120	$ 33,973,533

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

John Mallory
Deputy Minister of Finance

TRUST FUND NO. 32
PENSION PLAN FOR FULL-TIME CUPE 2745 EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED 31 DECEMBER 2001

	2001	2000
INCREASE IN ASSETS		
Investment income		
Interest	$ 886,026	$ 909,443
Dividends	312,523	364,175
Current period increase in market value of investments	157,442	3,489,560
Pension contributions		
Employee	477,429	420,685
Employer	467,933	385,944
Total increase in assets	2,301,353	5,569,807
DECREASE IN ASSETS		
Pensions	447,036	383,596
Refunds	462,552	86,292
Administrative expenses	104,400	88,232
Investment management fees	56,031	54,350
Custodial fees	9,747	6,483
Total decrease in assets	1,079,766	618,953
INCREASE IN NET ASSETS	1,221,587	4,950,854
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	33,973,533	29,022,679
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	$ 35,195,120	$ 33,973,533

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

TRUST FUND NO. 32
PENSION PLAN FOR FULL-TIME CUPE 2745 EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

1. Description of Plan

The following description of the Pension Plan for Full-Time CUPE 2745 Employees of New Brunswick School Districts is a summary only. For more information, reference should be made to the Collective Agreement and Plan Document.

(a) General

The Plan is a contributory defined benefit pension plan covering Full-Time CUPE 2745 Employees of New Brunswick School Districts. The Plan is administered by Morneau Sobeco, under the direction and with the assistance of the Office of Human Resources, with investment matters being advised on by the Department of Finance.

(b) Funding Policy

Contributions are made by the Plan members and the Plan sponsor to fund the benefits determined under the Plan. The determination of the value of benefits is made on the basis of an actuarial valuation (see note 3).

(c) Service Pensions

Effective 8 October 1998, normal retirement pension equals 2% (for service before January 1997) of average annual salary during the highest paid consecutive 5 years multiplied by the number of years of pensionable service plus 1.45% (for service between 1 January 1997 and 1 September 1997) of average annual salary during the highest paid consecutive 5 years multiplied by the number of years of pensionable service plus 1.3% (for service after 31 August 1997) of average annual salary during the highest paid consecutive 5 years multiplied by the number of years of pensionable service. Pension benefits are indexed annually according to the consumer price index increase to a maximum of 2%.

A member may elect from one of three optional forms of pensions being: 1) life pension with no guarantee period; 2) life pension with guarantee period of 5 or 10 years or 3) joint life and last survivor pension. There are also supplementary pension benefits available when the normal retirement pension is less than $1,500 per year.

Normal retirement age is 65. 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.

(d) Death Benefits

If a member dies prior to retirement and before completing 5 years continuous employment, the benefit payable to his beneficiary or estate is a refund of all contributions made by the member with accumulated interest.

TRUST FUND NO. 32
PENSION PLAN FOR FULL-TIME CUPE 2745 EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

1. Description of Plan (Continued)

If a member dies after 31 December 1997 and prior to retirement and has completed 5 or more years of continuous employment, the beneficiary or estate shall be paid an amount equal to the Commuted Value. The Commuted Value is, as at the date of the member's death, the deferred pension to which the member would have been entitled had the member's continuous employment terminated just prior to their death. In addition, excess contributions (if applicable) to which the member would have been entitled would be refunded to the designated beneficiary or estate.

If the member dies after 31 December 1997 and after retirement and was in receipt of a pension benefit, the death benefit payable is determined in accordance with the provisions of the form of pension selected by the member.

(e) Benefits on Termination

A member who has less than 5 years of continuous employment and is terminated is entitled to a refund of contributions made to the Plan with accumulated interest.

A member with more than 5 years continuous employment who has terminated may elect to receive a deferred pension commencing on his normal retirement date or an amount equal to the Commuted Value. The Commuted Value is, as at the date of the member's termination, the deferred pension to which the member would have been entitled. The Commuted Value of the deferred pension is to be transferred on a locked-in basis to any registered retirement savings arrangement where the transfer is allowed under the Pension Benefits Act.

(f) Income Taxes

The Plan is a Registered Pension Plan as defined in the Income Tax Act and is not subject to taxes on income.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a financial reporting entity independent of the plan sponsor and plan members. These statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of individual plan members.

(b) Investments

All investments are recorded as of settlement date. Investments are carried at market value except for money market instruments which are carried at cost.

TRUST FUND NO. 32
PENSION PLAN FOR FULL-TIME CUPE 2745 EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

2. Summary of Significant Accounting Policies (Continued)

(c) Foreign Currency Translation

Investments in equities denominated in foreign currencies are translated to Canadian dollars at the rate of exchange in effect at the date of the statement of net assets available for benefits.

(d) Pension Contributions

Contributions are recorded in the period that the payroll deductions are made.

3. Funding Policy

In accordance with the Plan Agreement, employees are required to contribute 4.5% of their earnings up to the year's maximum pensionable earnings (YMPE), plus 6% of earnings above YMPE. The employer is required to contribute an amount necessary, in the opinion of an actuary based on an actuarial valuation, which when combined with employee contributions will provide for the benefits stipulated under the Plan. The employer contributions shall not exceed 95% of the employee contributions.

The most recent actuarial valuation for funding purposes was prepared by Morneau Sobeco as of 1 January 2000. This valuation disclosed that accrued benefits are fully funded.

4. Obligation for Pension Benefits

The present value of accrued benefits was determined using the projected unit credit method pro-rated on service and actuarial assumptions which reflect management's best estimate for the future. An actuarial valuation was made as of 1 January 2000 by Morneau Sobeco, a firm of consulting actuaries, and was then extrapolated to 31 December 2001.

Significant long-term assumptions and the range of short-term assumptions used in the valuation are:

	Long-term Assumptions	Short-term Assumptions
Rate of return on assets	7.9%	7.9%
Annual wage and salary increase	4.0%	2.0% to 4.0%
Inflation	2.0%	2.0%
Rate of pension escalation after retirement	2.0%	2.0%

TRUST FUND NO. 32
PENSION PLAN FOR FULL-TIME CUPE 2745 EMPLOYEES
OF NEW BRUNSWICK SCHOOL DISTRICTS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2001

4. Obligation for Pension Benefits (Continued)

The actuarial present value of benefits as at 31 December and the principal components of changes in actuarial present values during the year, were as follows:

	(in millions)	
	2001	2000
Actuarial present value of accrued pension benefits at beginning of year	$ 24.47	$ 21.26
Effect of experience gains and losses and change in assumptions	-	1.12
Restated actuarial present value of accrued pension benefits at beginning of year	24.47	22.38
Interest accrued on benefits	1.93	1.78
Benefits accrued	0.90	0.78
Benefits paid	(0.91)	(0.47)
Actuarial present value of accrued pension benefits at end of year	$ 26.39	$ 24.47
Net assets available for benefits	$ 35.20	$ 33.97