

Volume 3
Financial Statements of
Crown Corporations,
Boards, Commissions

Public Accounts

for the fiscal year ended 31 March

1996

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



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1996 PUBLIC ACCOUNTS VOLUME 3 III

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INTRODUCTION VOLUME III

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

Volume I contains the audited financial statements of the reporting entity of the Province 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. Volume I also contains the Auditor's Report and the Statement of Responsibility.

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. Volume II also contains detailed information on Supplementary Appropriations, Funded Debt and Capital Loans, statements of the General Sinking Fund, Securities Held, and revenue and expenditure by government department (this includes salary, travel, vendor, grant and contribution, and loan disbursement listings).

This volume 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 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 also contains various trust funds which the Province administers as Trustee.

FINANCIAL STATEMENTS
ADVISORY COUNCIL ON THE STATUS OF
WOMEN
31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Chairperson and Members
Advisory Council on the Status of Women

I have audited the balance sheet of the Advisory Council on the Status of Women as at 31 March 1996 and the statement of revenue, expenses and surplus for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Council as at 31 March 1996 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 26 June 1996

ADVISORY COUNCIL ON THE STATUS OF WOMEN BALANCE SHEET 31 MARCH 1996

	1996	1995	
ASSETS			
Cash	\$ 50,932	\$32,666	
Short term investments	50,000	30,000	
Accounts receivable	898	17,640	
Prepaid expenses	2,766	4,290	
	\$104,596	\$84,596	
LIABILITIES AND SURPLUS			
LIADETTEO AND COM LOC		·-· · · · · · · · · · · · · · · · · · ·	
Deferred revenue	\$ -	\$20,000	
Accounts payable	25,300	20,154	
Surplus	79,296	44,442	
	\$104,596	\$84,596	

Approved by the Council	
	Chairpersor
	Member

ADVISORY COUNCIL ON THE STATUS OF WOMEN STATEMENT OF REVENUE, EXPENSES AND SURPLUS FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
REVENUE		
Grants	4407.500	****
Province of New Brunswick	\$437,500	\$441,523
Promotion of women in business (Note 1)	04.400	100.57
- Canada/New Brunswick Cooperation Agreements	64,133	106,574
- Economic Development and Tourism	20,000	-
- Human Resource Development (Canada)	5,500	-
Student employment	14,251	
Project registration	2,875	10,869
Conference registration	1,987	-
Divorce guide/separation guide sales	4,303	2,965
Other	9,056	6,952
	559,605	568,883
EXPENSES	0.40.074	
Salaries and employee benefits	319,271	356,821
Professional services	69,298	69,582
Furniture and equipment	11,840	37,636
Travel	19,838	24,902
Office supplies	16,677	22,702
Telephone	11,630	12,449
Meetings	11,382	10,920
Research projects	10,031	-
Per diem - Council members	8,061	10,860
Rent (Note 2)	8,325	8,374
Public relations and networking	12,683	6,528
Professional development	2,752	5,511
Translation (Note 2)	9,922	4,683
Publications	9,588	4,096
Office improvements	-	1,740
Other	1,856	1,356
Maintenance	1,597	791
Insurance	•	350
	524,751	579,301
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	34,854	(10,418)
Surplus, beginning of year	44,442	54,860
SURPLUS, end of year	\$ 79,296	\$ 44,442

ADVISORY COUNCIL ON THE STATUS OF WOMEN NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 1996

1. Promotion of women in business projects

During the year ended 31 March 1994, a project promoting women in business received funding from the Canada/New Brunswick Cooperation Agreement on Economic Development. Funding was set at a maximum of \$165,000. This project was completed at 31 March 1996.

During the year ended 31 March 1996, two more projects received funding through grants from the Canada/New Brunswick Cooperation Agreement, the provincial Department of Economic Development and Tourism and the federal Department of Human Resource Development. The total funding was set at a maximum of \$60,156. Project activity was completed at 31 March 1996.

A summary of the revenues and expenses of these projects for the year ended 31 March 1996 is shown in Schedule 1.

2. Rental and translation expense

The majority of rental and translation costs are paid for by the Province of New Brunswick and have not been included in the Council's expenses.

ADVISORY COUNCIL ON THE STATUS OF WOMEN SCHEDULE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

SCHEDULE 1

The following schedule segregates the revenue and expenses of the Women in Business Projects from the other revenue and expenses of the Council.

	Women in Business Projects	General Operations	Grand Total	Budget General Operations
REVENUE				
Grants Province of New Brunswick	\$ -	\$437,500	\$437,500	\$433,200
Promotion of women in business (Note 1) - Canada/New Brunswick				
Cooperation Agreements	64,133	-	64,133	-
 Economic Development andTourism 	20,000	-	20,000	-
 Human Resource Development 	•		,	
(Canada)	5,500	-	5,500	-
Student Employment	-	14,251	14,251	•
Project registrations	2,875	-	2,875	•
Conference registrations	-	1,987	1,987	-
Divorce guide/separation guide sales	-	4,303	4,303	5,400
Other	-	9,056	9,056	2,600
	92,508	467,097	559,605	441,200
EXPENSES				
Salaries and employee benefits	8,971	310,300	319,271	346,206
Professional services	52,516	16,782	69,298	-
Furniture and equipment	1,716	10,124	11,840	10,379
Travel	4,377	15,461	19,838	11,280
Office supplies Telephone	1,134	15,543	16,677	12,150
Meetings	684	10,946	11,630	11,500
Research Projects	2,098 300	9,284	11,382	7,200
Per diem - Council members	300	9,731 8,061	10,031	-
Rent (Note 2)	-	8,325	8,061 8,325	12,000
Public relations and networking	8,696	3,987	12,683	8,325 500
Professional development	250	2,502	2,752	3,000
Translation (Note 2)	1,658	8,264	9,922	3,000
Publications	5,097	4,491	9,588	5,000
Other	490	1,366	1,856	2,160
Maintenance	-	1,597	1,597	2,100 500
	87,987	436,764	524,751	433,200
EXCESS OF REVENUE OVER EXPENSES	\$ 4,521	\$ 30,333	\$ 34,854	\$ 8,000

FINANCIAL STATEMENTS

ALGONQUIN PROPERTIES LIMITED

31 DECEMBER 1995

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Shareholder of Algonquin Properties Limited

I have audited the balance sheet of Algonquin Properties Limited as at 31 December 1995 and the statements of revenue, expenditure and deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 company as at 31 December 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 8 March 1996

ALGONQUIN PROPERTIES LIMITED BALANCE SHEET 31 DECEMBER 1995

ACCUTE	1995	1994
ASSETS		
Current assets		
Cash on hand and in bank	\$ 218,934	\$ 2,255,056
Accounts receivable	98,830	62,689
Inventories, at cost	90,850	73,614
Prepaid expenses	29,686	21,760
	438,300	2,413,119
Deferred charges (Note 3)	90,885	128,493
Capital assets (Note 4)	15,523,292	14,398,384
	\$ 16,052,477	\$ 16,939,996
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities		
Interest on expansion loan (Note 5)	\$ 2,518,839	\$ 1,492,119
Accounts payable and accrued liabilities	578,540	175,696
Due to Canadian Pacific Hotels	23,696	26,935
Advance deposits	171,005	8,482
	3,292,080	1,703,232
Due to Province of New Brunswick (Note 5)	26,227,171	27,182,171
	29,519,251	28,885,403
Capital stock		
Authorized		
10,000 common shares aggregate value not to exceed \$100,000		
9,000 8% non-cumulative redeemable preferred		
shares with a par value of \$100 each		
Issued and fully paid		
5,000 common shares	50,000	50,000
2,500 preferred shares	250,000	250,000
	300,000	300,000
Deficit	(13,766,774)	(12,245,407)
	(13,466,774)	(11,945,407)
	\$ 16,052,477	\$ 16,939,996
Approved by the Board		
<u></u>	Director	
	Director	

ALGONQUIN PROPERTIES LIMITED STATEMENT OF REVENUE, EXPENDITURE AND DEFICIT FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
REVENUE	1333	1334
Room sales	\$ 2,930,999	\$ 2,324,554
Food sales	1,749,314	1,532,062
Beverage sales	695,043	518,192
Green fees and rentals	423,524	377,441
Other sport activities	81,708	56,689
Telephone	78,430	66,208
Rent from Community College	49,133	49,237
Miscellaneous	227,130	233,341
Interest	59,312	24,242
	6,294,593	5,181,966
EXPENDITURE		
Direct costs	3,320,426	2,825,869
Administrative and general	644,985	719,927
Advertising and promotion	473,422	575,198
Heat, light and power	303,011	286,436
Repairs and maintenance	482,188	474,952
Property taxes	335,760	343,857
Management fees	242,541	206,309
Interest on expansion loan (Note 5)	1,026,720	939,658
Amortization - capital assets	949,299	868,251
- deferred charges	37,608	37,608
•	7,815,960	7,278,065
NET LOSS FOR THE YEAR	1,521,367	2,096,099
Deficit, beginning of year	12,245,407	10,149,308
DEFICIT, end of year	\$ 13,766,774	\$ 12,245,407

ALGONQUIN PROPERTIES LIMITED STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 1995

CASH PROVIDED BY (USED FOR):	1995	1994
Operations:		
Net loss for the year	\$(1,521,367)	\$(2,096,099)
Add item not involving cash:		
Amortization	986,907	905,859
Decrease in non-cash components of working capital	1,527,361	1,005,594
	992,901	(184,646)
Financing activities:		
Advances from the Province	(955,000)	2,353,000
Investing activities:		
Purchases of capital assets - renovations	(2,074,023)	(489,625)
INCREASE (DECREASE) IN CASH	(2,036,122)	1,678,729
Cash position, beginning of year	2,255,056	576,327
CASH POSITION, end of year	\$ 218,934	\$ 2,255,056

ALGONQUIN PROPERTIES LIMITED NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

1. Description of operations

The Company is wholly-owned by the Province of New Brunswick and administers the operations of the Algonquin Hotel. By means of a management agreement, the Company has contracted the day-to-day management of the hotel operations to Canadian Pacific Hotels.

2. Summary of significant accounting policies

- (a) A reserve for replacement of equipment has been established pursuant to the management agreement with Canadian Pacific Hotels to represent limits on the replacement of equipment chargeable to the operation of the hotel. The agreement states that each year an amount not to exceed a maximum of one and one half percent (1.5%) of gross income may be added to this reserve. Purchases of furniture, fixtures and equipment are charged against this reserve up to the balance in the account.
- (b) Amortization of capital assets and deferred charges has been approved by management on a straight-line basis at the rates shown in Notes 3 and 4.

3. Deferred charges

The following is a schedule of deferred charges relating to the hotel expansion:

	Rate	Cost	Accumulated Amortization	Unamortized Balance
Incremental marketing program Other start-up costs	20% 20%	\$ 125,237 62,802	\$ 64,707 32,447	\$ 60,530 30,355
		\$ 188,039	\$ 97,154	\$ 90,885

Amortization of these charges commenced when the expansion opened in June, 1993.

ALGONQUIN PROPERTIES LIMITED NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

4. Capital assets

	Rate	Cost	Accumulated Amortization	Unamortized Balance
Land Buildings, improvements	-	\$ 140,282	\$ -	\$ 140,282
and equipment	2.5 - 10%	18,752,345	4,632,093	14,120,252
Operating equipment	8 - 20%	3,276,444	2,013,686	1,262,758
		\$ 22,169,071	\$ 6,645,779	\$ 15,523,292

The buildings, improvements and equipment classification includes major renovations and improvements for which a ten-year useful life is realistic.

Assets are charged for a full year's amortization in the year of purchase.

5. Due to Province of New Brunswick

	1995	1994
Shareholder's loan	\$ 492,000	\$ 492,000
Loan for expansion	9,714,585	9,714,585
Advances	16,020,586	16,975,586
	\$ 26,227,171	\$ 27,182,171

The shareholder's loan and the advances are non-interest bearing with no specific terms of repayment.

The loan for expansion due to the Province is interest bearing. The interest rate on this loan is 9.06% compounded semi-annually. This rate is the twenty-year provincial borrowing rate at 15 May 1993 as determined by the Department of Finance. Interest began to accrue on 15 May 1993 when the expansion was substantially completed. Interest accrued on this loan relating to 1995 was \$1,026,720. Repayment of this loan will commence when the hotel generates sufficient funds.

6. Comparative figures

The 1994 figures have been restated where necessary to conform with the 1995 presentation.

Chartered Accountants
Canadian Member Firm of
Grant Thornton International



Board of Commissioners of Public Utilities of the Province of New Brunswick Financial Statements March 31, 1996 Chartered Accountants
Canadian Member Firm of
Grant Thornton International



Auditors' Report

To the Board of Commissioners of Public Utilities of the Province of New Brunswick

We have audited the balance sheets of the Board of Commissioners of Public Utilities of the Province of New Brunswick as at March 31, 1996 and the statements of revenue and expenditures and surplus and changes in financial position for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies set out in Note 1 to the financial statements.

Saint John, New Brunswick May 31, 1996 **Chartered Accountants**

Suite 600 55 Union Street Saint John New Brunswick E2L 5B7 Tel: (506) 634-2900 Fax: (506) 634-4569

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Public Utilities Statements of Revenue and Expenditures and Surplus

Year Ended March 31	1996	1995
Revenue		
Assessment on public utilities (Note 5)	\$ 162,584	\$ 260,056
Gain on disposal of investments	6,372	-
Interest		
Investments	6,549	6,819
Bank	10,729	9,158
	186,234	276,033
Expenditures		
Depreciation	6,377	6,377
Employee benefits	5,452	5,050
Hearing expenses	_	2,037
Interest and bank charges	681	602
Library and publications	3,673	3,321
Miscellaneous	5,018	4,282
Office	9,847	8,103
Pension fund premiums	4,666	4,908
Professional fees	4,500	4,500
Rent	5,400	5,400
Salaries	168,045	151,606
Training	<u> 25,469</u>	30,844
	239,128	_227,030
Excess (deficiency) of revenue over expenditures	\$ (52,894)	\$ 49,003
Surplus, beginning of year	\$ 263,416	\$ 214,413
Excess (deficiency) of revenue over expenditures	(52,894)	49,003
Surplus, end of year	\$ 210,522	\$ 263,416

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Public Utilities Balance Sheet

March 31	1996	1995
Assets		
Current Cash	\$ 162,270	\$ 169,131
Receivables	6,096	3,460
Prepaid expenses	1,504	2,42 <u>1</u>
Tropala expenses		
	169,870	175,012
Cash held in trust (Note 4)	11,773	-
Investments (Note 2)	39,145	73,772
Equipment (Note 3)	12,755	19,132
	\$ 233,543	\$ 267,916
Liabilities		
Current Payables and accruals	\$ 11,248	\$ 4,500
Funds held in trust (Note 4)	<u>11,773</u>	
	23,021	4,500
Surplus (Note 7)		
Applied to the 1995/1996 assessment		220,416
To be applied to the 1996/1997 assessment	178,522	
To be applied to future assessments	<u>32,000</u>	43,000
	210,522	263,416
	\$ 233,543	\$ 267,916

On behalf of	of the	Board
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 Chairman	Assistant Secretary

See accompanying notes to the financial statements.

Doane Raymond **る**

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Public Utilities Statement of Changes in Financial Position

Year Ended March 31	1996	1995
Cash derived from		
Operating		
Excess (deficiency) of revenue over expenditures	\$ (52,894)	\$ 49,003
Depreciation	6,377	6,377
Gain on disposal of investments	<u>(6,372)</u>	
	(52,889)	55,380
Changes in	, , ,	
Receivables	(2,637)	64
Prepaid expenses	917	758
Payables and accruals	<u>6,748</u>	(1,263)
	(47,861)	54,939
Financing		
Proceeds on retirement of bonds	41,000	-
Net increase (decrease) in cash	(6,861)	54,939
Cash		
Casii		
Beginning of year	<u> 169,131</u>	114,192
End of year	\$ 162,270	\$ 169,131

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Public Utilities Notes to the Financial Statements

March 31, 1996

1. Summary of significant accounting policies

Furniture and fixtures

Furniture and fixtures are expensed in the year of acquisition.

Equipment

Depreciation of computer equipment is recorded using the straight line method at a rate of 20%.

2.	Investments							
		Interest <u>Rate</u>		Face <u>Value</u>		<u>Market</u>		Cost
	Brunswick Electric							
	October 15, 1997 November 15, 1998	8-3/8% 8-1/2%	\$ _	11,000 32,000	\$ -	11,275 33,280	\$ -	10,038 29,107
			\$_	43,000	\$_	44,555	\$_	39,145

New Brunswick Electric Power Commission bonds due October 15, 1997 have been called and will be redeemed in fiscal 1997.

3.	Equipment					<u>1996</u>		<u>1995</u>
		<u>Cost</u>		umulated preciation	Во	Net <u>ok Value</u>	<u>Bo</u>	Net <u>ok Value</u>
Comp	outer	\$ 31,738	\$_	18,983	\$_	12,755	\$_	19,132

4. Funds held in trust

Cash of \$11,773 relating to the regulation the public motor bus industry in New Brunswick is held in trust by the Board on behalf of the New Brunswick Department of Transportation.

Board of Commissioners of Public Utilities of the Province of New Brunswick- Regulation of Public Utilities Notes to the Financial Statements

March 31, 1996

5. Assessment on public utilities

In accordance with Section 9 of the Public Utilities Act, public utilities are assessed each year for their individual direct expenses, such as hearing costs, together with their share of common expenses. Each utility's share of common expenses is based on the proportion of its gross earnings to the aggregate of gross earnings for all utilities. The assessments are adjusted to recover or return any deficiency or excess of revenue over expenditures of prior year.

Since 1982, it has been Board policy to apply the proceeds of matured investments to reduce the current year's assessment on public utilities.

		<u>1996</u>		<u>1995</u>
Gross public utilities' earnings	\$ 89	99,660,995	\$ <u>9</u>	06,690,259
Estimate of common expenses Less: estimate of interest income bond redemption during the year (Note 7)	\$	258,000 (10,000) (41,000)	\$ _	270,000 (10,000)
Estimate of net common expenses Estimate of direct expenses		207,000 135,000	-	260,000 136,232
Surplus from prior year (Note 7)		342,000 (179,416)	_	396,232 (136,176)
Assessment on public utilities	\$ _	162,584	\$ _	260,056

Assessment for public intervenor

Pursuant to Section 9(1.1), the costs of the Agent for the Attorney General with respect to interventions made are to be collected by the Board from the public utilities regulated by the Board and paid to the Minister of Finance. No such amounts were collected and paid during the Board's fiscal years ended March 31, 1996 and March 31, 1995 as the Attorney General submitted no costs to the Board to be collected in its assessment.

Board of Commissioners of Public Utilities of the Province of New Brunswick- Regulation of Public Utilities Notes to the Financial Statements

March 31, 1996

7. Surplus

The \$220,416 surplus of 1995 applied to assessments of the 1995/1996 year is comprised of \$41,000 of bonds redeemed in fiscal 1996 and \$179,416 of general surplus.

The \$178,522 surplus of 1996 to be applied to assessments of the 1996/1997 year is comprised of \$11,000 of bonds to be redeemed in fiscal 1997 and \$167,522 of general surplus.

The balance of the surplus in each year relates to bonds to be applied to reduce assessments in future years upon their maturity or redemption.

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Automobile Insurers Statements of Revenue and Expenditures and Surplus (Deficit) Year Ended March 31 1996 1995

Year Ended March 31	1996	1995
Dougana		
Assessment on automobile insurers (Note 2)	\$ 285,925	\$ 390,217
Bank interest	9,308	10,101
	295,233	400,318
Expenditures		
Actuarial consultant	251,144	286,389
Advertising	4,583	5,020
Commissioners' per diems	12,343	6,213
Commissioners' travel	9,191	5,785 180
Interest and bank charges	251 7,826	5,313
Office and administration	2,000	2,000
Professional fees Salaries	70,690	67,422
Training	3,200	
	_361,228	378,322
Excess (deficiency) of revenue over expenditures	\$ <u>(65,995</u>)	\$ 21,996
Surplus (deficit), beginning of year	\$ 1,337	\$ (20,659)
Excess (deficiency) of revenue over expenditures	(65,995)	21,996
Surplus (deficit), end of year	\$ (64,658)	\$1,337

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Automobile Insurers Balance Sheet

1996	1995
\$ 6.418	\$ 60,170
44	372
\$6,462	\$ 60,542
\$ 71,120	\$ 59,205
(64,658)	1,337
\$ 6,462	\$ 60,542
	\$ 6,418 44 \$ 6,462 \$ 71,120 (64,658)

On behalf of the Board			

____Assistant Secretary

Chairman

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Automobile Insurers Statement of Changes in Financial Position				
Year Ended March 31	···	1996		1995
Cash (applied to) derived from				
Operating				
Excess (deficiency) of revenue over expenditures	\$	(65,995)	\$	21,996
Changes in				
Interest receivables		328		(292)
Payables and accruals	_	11,915	_	19,008
Net increase (decrease) in cash		(53,752)		40,712
Cash				
Beginning of year	_	60,170	_	19,458
End of year	\$ -	6,418	\$_	60,170

Board of Commissioners of Public Utilities of the Province of New Brunswick - Regulation of Automobile Insurers Notes to the Financial Statements

March 31, 1996

1. Summary of significant accounting policy

Furniture, fixtures and equipment

Furniture, fixtures and equipment are expensed in the year of acquisition.

2. Assessment on automobile insurers

In accordance with Section 9.1(1) of the Public Utilities Act, automobile insurers of New Brunswick are assessed each year. The assessment for each insurer is the proportion that the insurer's net receipts is of total net receipts. That proportion is applied to the budget for the ensuing year, adjusted to recover or return the prior year's deficiency or excess of revenue over expenditures.

	<u>1996</u>	<u>1995</u>
Automobile insurers' net receipts	\$ <u>281,530,000</u>	\$ 262,061,000
Assessment on receipts Assessment for current year Adjustment for prior year (surplus) deficit	\$ 287,262 (1,337)	\$ 369,558 20,659
	\$285,925	\$ 390,217

3. Comparative figures

Certain comparative figures for 1995 have been restated to conform with the presentation adopted in 1996.

FOREST PROTECTION LIMITED FINANCIAL STATEMENTS March 31, 1996





Deloitte & Touche Chartered Accountants

Suite 630 77 Westmorland Street Fredericton, New Brunswick E3B 6Z3 Telephone: (506) 458-8105 Telecopier: (506) 450-8126

AUDITORS' REPORT

To the Shareholders, Forest Protection Limited

We have audited the balance sheet of Forest Protection Limited as at March 31, 1996 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Chartered Accountants

April 19, 1996

Deloitte Touche Tohmatsu International

FOREST PROTECTION LIMITED BALANCE SHEET as at March 31, 1996

	1996	1995 (restated - Note 2)
CURRENT ASSETS		
Cash	\$ 432,928	\$ 632,662
Accounts receivable	95,501	124,661
Amounts due from participants	24,198	19,923
Inventories - fuels and emulsifiers	6,959	11,928
- aircraft spare parts	649,368	715,888
	1,208,954	1,505,062
CAPITAL ASSETS		
Property, plant and equipment (Note 3)	3,706,168	4,021,550
	\$4,915,122	\$5,526,612
CURRENT LIABILITIES		
Accounts payable	\$ 402,836	\$ 450,376
SHAREHOLDERS' EQUITY AND FUND BALANCES		
Capital stock (Note 4)	2,000	2,000
Contributed surplus	715,888	715,888
Net investment in capital assets	3,706,168	4,021,550
Net assets internally restricted for		
equipment replacement	88,230	336,798
Unrestricted net assets	-	-
	4,512,286	5,076,236
	\$4,915,122	\$5,526,612

APPROVED BY THE BOARD

______Director



FOREST PROTECTION LIMITED STATEMENT OF OPERATIONS year ended March 31, 1996

REVENUES	1996	1995
Contributions from participants		
Province of New Brunswick	\$2,159,250	\$2,047.276
Industry	320,500	128,958
Other revenue	1,138,683	521.091
Interest earned	31,915	25.216
Litigation proceeds (Note 6)	-	500.000
	3,650.348	3,222.541
EXPENSES (Note 5)		
Overhead	651,306	714.266
Aerial treatment	468,763	84.199
Firebombing	1,487,902	1,289.298
Research and development	592,919	494.391
Other projects	401,226	-
	3,602,116	2,582.154
Litigation costs (Note 6) Amortization of capital assets	280,685	285.721
Loss on disposal of capital assets	331,497	258.992
	4,214,298	3.126.867
Excess of revenues over expenses (expenses over revenue)	(563,950)	95.674
Transfer from (to) net investment in capital assets	315,382	229.717
Transfer from (to) net assets internally restricted		
for equipment replacement	248,568	(325.391)
Unrestricted net assets at end of year	\$ -	\$ -



FOREST PROTECTION LIMITED STATEMENT OF CHANGES IN NET ASSETS year ended March 31, 1996

	1996	1995 (restated - Note 2)
NET INVESTMENT IN CAPITAL ASSETS		
Balance at beginning of year	\$4,021,550	\$4,967,155
Transfer from (to) unrestricted operations:		
Acquisitions of property, plant and equipment	57,963	215,108
Aircraft spare parts inventories change	-	(1.333)
Cost of assets disposed of or retired	(373,345)	(443,492)
	(315,382)	(229,717)
Transfer to contributed surplus		(715.888)
Balance at end of year	\$3,706,168	\$4,021,550
NET ASSETS INTERNALLY RESTRICTED FOR EQUIPMENT REPLACEMENT Balance at beginning of year	\$ 336,798	\$ 11,407
Transfer from (to) unrestricted operations:	(000 505)	
Litigation proceeds less costs	(280,685)	214,279
Interest on internally restricted funds	18,268	6,077
Proceeds received from aircraft sales	-	84,990
Surplus on unrestricted operations	13,849	20,045
	(248,568)	325,391
Balance at end of year	\$ 88,230	\$ 336,798



FOREST PROTECTION LIMITED STATEMENT OF CASH FLOWS year ended March 31, 1996

NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:	1996	1995
OPERATING		
Excess of revenues over expenses (expenses over revenues) Amortization of capital assets	\$(563,950)	\$ 95,674
Loss on disposal of capital assets	- 221 407	
Changes in non-cash operating working capital items:	331,497	258,992
Accounts receivable	29,160	(102,081)
Amounts due from participants	(4,275)	60,426
Inventories - fuels and emulsifiers	4,969	34,145
- aircraft spare parts	66,520	-
Accounts payable	(47,540)	99,878
	(183,619)	447,034
INVESTING		-
Acquisition of property, plant and equipment	(57,963)	(215,108)
Aircraft spare parts inventory change	(37,703)	1,333
Proceeds received for aircraft sales	_	84,990
Proceeds on sale of other assets	41,848	99.510
	(16,115)	(29.275)
NET CASH INFLOW (OUTFLOW)	(199,734)	417,759
Cash position, beginning of year	632,662	214,903
CASH POSITION, END OF YEAR	\$ 432,928	\$ 632,662



FOREST PROTECTION LIMITED NOTES TO THE FINANCIAL STATEMENTS year ended March 31, 1996

ACCOUNTING POLICIES

Operations and Net Investment in Capital Assets

- a. The company is a non-profit organization and carries out an annual program, comprising aerial treatment, firebombing and research and development, of forest protection activities. The costs of the aerial treatment program including all overhead expenditures are shared between various participating companies and the Province of New Brunswick on the basis of an approved cost sharing formula. Costs directly attributable to firebombing activities are recovered from the Province of New Brunswick. The net cost of research and development activities, after deducting revenues received, is recovered from the participating companies and the Province of New Brunswick on the basis of a separate approved cost sharing formula.
- b. Program expenditures funded by participants include all costs incurred during the year, including the cost of property, plant and equipment and inventories consumed during the year. Costs funded are reduced by proceeds on disposal of property, plant and equipment, except for aircraft sales, which are transferred to Net Assets Internally Restricted for Equipment Replacement.
- c. Program costs are accumulated in accordance with generally accepted accounting principles, except that the company does not accrue for vacation pay earned by employees but not taken as at the year end.
- d. Property, plant and equipment acquired during the year which remain on hand at the year end are recorded in the financial statements as Net Investment in Capital Assets.
- e. Inventories acquired up to October 31, 1975 are valued at historical cost, if determinable, or at an estimated replacement value at that date. Inventories acquired after October 31, 1975 are valued at current acquisition costs. Slow moving inventory is written off. Consumable supplies, except for spray chemicals and aviation fuel and lubricants on hand at the end of each year are not included in the inventory balance.
- f. Land and buildings acquired before October 31, 1975, are shown on the balance sheet at estimated cost. All other property, plant and equipment, including buildings acquired subsequent to October 31, 1975, is valued at historical cost. No provision is made for amortization of property, plant and equipment. The cost, as described above, of assets disposed of or retired are removed from the accounts.

Net Assets Internally Restricted for Equipment Replacement

- g. By authority of the Board of Directors, the following sources of funds are to be transferred to this account for the purpose of replacing the company's equipment:
- proceeds received from aircraft sales;
- proceeds from legal actions, less the cost of pursuing these actions; and,
- operating surpluses arising from unrestricted operations.



FOREST PROTECTION LIMITED NOTES TO THE FINANCIAL STATEMENTS year ended March 31, 1996

2. ACCOUNTING CHANGE

Effective April 1, 1995, the Board of Directors changed the method of accounting for aircraft spare parts inventory to require that program expenditures include inventories consumed during the year rather than inventories purchased during the year.

The balance of aircraft spare parts inventory included in the Net Investment in Capital Assets at March 31, 1995 has been transferred to Contributed Surplus to reflect the fact that inventories on hand as at that date have been contributed by previous participants. For comparative purposes, this transfer has been reflected at March 31, 1995 and the financial statements at March 31, 1995 have been restated accordingly. The results of operations for the year ended March 31, 1995 have not been impacted by this adjustment.

3. PROPERTY, PLANT, AND EQUIPMENT

		1996	1995
	Land	\$ 75,000	\$ 100,000
	Building and mobile homes	282,765	348,265
	Aircraft	1,791,439	1,791,439
	Equipment	1,556,964	1,781,846
		\$3,706,168	\$4,021,550
4.	CAPITAL STOCK		
	Authorized - 500 common shares \$10 par value each.	1996	1995
	Issued and outstanding - 200 common shares.	\$2,000	\$2,000



FOREST PROTECTION LIMITED NOTES TO THE FINANCIAL STATEMENTS year ended March 31, 1996

5. PROGRAM EXPENDITURES

TROOKAM EXITERDITORES		
	1996	1995
Salaries and wages	\$1,280,644	\$1,136,313
Employer contributions	141,886	113,075
Transportation and communications	147,460	164,410
Consultants' fees, legal fees, audit,		
contractual, services, insurance, etc.	596,760	336,733
Maintenance and repairs (contractual)	678,765	525,415
Non capitalized parts and equipment	17,231	(62,940)
Rentals (including aircraft)	174,175	148,765
Insecticides, materials and supplies	565,195	220,383
Expenses charged to operations	3,602,116	2,582,154
Capitalized - property, plant and equipment	57,963	215,108
 aircraft spare parts inventory change 	-	(1,333)
Total program expenditures	\$3,660,079	\$2,795,929
PROGRAM EXPENDITURES BY OPERATIONAL DIVISION	·····	***************************************
Overhead expenditures	\$ 678,628	\$ 714,266
Aerial treatment expenditures	468,763	239,157
Research and development expenditures	612,919	494,391
Firebombing expenditures	1,497,078	1,348,115
Other projects	402,691	•
	\$3,660,079	\$2,795,929

6. LITIGATION

Last year, the company settled one of its outstanding legal actions against certain parties. A second action remains outstanding and the outcome of this action cannot be determined at this time. Therefore no provision has been made in the financial statements with respect to this action.

By authority of the Board of Directors, costs incurred during the year for pursuing the action, amounting to \$280,685, have been transferred from Net Assets Internally Restricted for Equipment Replacement.



Chartered Accountants
Canadian Member Firm of
Grant Thornton International

Doane Raymond S

Kingsbrae Horticultural Garden Inc. Incorporated: June 23, 1995 Financial Statements March 31, 1996

Doane Raymond &

Chartered Accountants
Canadian Member Firm of
Grant Thornton International

Auditors' Report

To the Director of Kingsbrae Horticultural Garden Inc.

We have audited the balance sheet of Kingsbrae Horticultural Garden Inc. as at March 31, 1996, and the statements of operations, changes in fund balances, and changes in financial position for the period from date of incorporation (June 23, 1995) to March 31, 1996. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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 management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the organization derives revenue from private and public contributions the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to contribution revenues, excess of revenues over expenses, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the contributions referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 1996, and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

St. Stephen, New Brunswick May 29, 1996

Chartered Accountants

Suite 201 Ganong Place 73 Milltown Blvd. St. Stephen New Brunswick E3L 1G5 Tel: (506) 466-3291

Kingsbrae Horticultural Garden Inc. Statement of Operations

Period Ended March 31, 1996

	General <u>Fund</u>	Capital Construction Fund	<u>Total</u>
Revenues			
Provincial government		\$150,000	\$150,000
Trust fund	\$ 46,119		46,119
Contributions	7,768	115,050	122,818
Investment income	40		40
Newsletter	147		147
	<u>54,074</u>	<u>265,050</u>	319,124
Expenses			
Advertising and promotion	517		517
Bank charges	107		107
Construction, design, and			
capital equipment	11,338	186,262	197,600
Heat, light, and power	3,545	·	3,545
Insurance	1,507		1,507
Maintenance and repair	3,183		3,183
Office supplies and stationery	3,321		3,321
Professional fees	2,180		2.180
Salaries and benefits	49,877		49,877
Telephone and fax	1,536		1,536
Training	240		240
Travel	2,045		2,045
Vehicle	400		400
	79,796	186,262	266,058
Excess of revenues over expenses			
(expenses over revenues)	\$ <u>(25,722</u>)	\$ <u>78,788</u>	\$ <u>53,066</u>

Kingsbrae Horticultural Garden Inc. Statement of Changes in Fund Balances

Period Ended March 31, 1996

	General <u>Fund</u>	Capital Construction Fund	<u>Total</u>
Excess of revenues over expenses (expenses over revenues)	\$(25,722)	\$ 78,788	\$53,066
Internal allocation of salaries and benefits	33,322	(33,322)	
Fund balances, end of period	\$ <u>7,600</u>	\$ <u>45,466</u>	\$ <u>53,066</u>

Kingsbrae Horticultural Garden Inc. Balance Sheet

Period Ended March 31, 1996

	General <u>Fund</u>	Capital Construction Fund	<u>Total</u>
Current assets			
Cash	\$ 4,841	\$ 3,400	\$ 8,241
Receivables	13,440	105,000	118,440
Prepaids	<u>2,567</u>		<u>2,567</u>
	\$ <u>20,848</u>	\$ <u>108,400</u>	\$ <u>129,248</u>
Current liabilities		<u> </u>	
Payables and accruals	\$13,248	\$ 62,934	\$ 76,182
Fund balances			
Unrestricted	<u> 7,600</u>	45,466	<u>53,066</u>
	\$ <u>20,848</u>	\$ <u>108,400</u>	\$ <u>129,248</u>

Commitments and contractual obligations (Note 3)

r	Director	Direc	cto.
<u></u>		DII GI	

See accompanying notes to the financial statements.

Kingsbrae Horticultural Garden Inc. Statement of Changes in Financial Position

Period Ended March 31, 1996

Cash derived from (applied to)	General <u>Fund</u>	Capital Construction <u>Fund</u>	<u>Total</u>
Operating			
Excess of revenues over expenses			
(expenses over revenues)	\$(25,722)	\$ 78,788	\$ 53,066
Change in non-cash operating			
working capital			
Receivables	(13,440)	(105,000)	(118,440)
Prepaids	(2,567)		(2,567)
Payables and accruals	<u>13,248</u>	<u>62,934</u>	<u>76,182</u>
	(28,481)	36,722	8,241
Interfund adjustments			
Allocation of salaries and benefits	33,322	(33,322)	
Cash, end of period	\$ <u>4,841</u>	\$ <u>3,400</u>	\$ <u>8,241</u>

Kingsbrae Horticultural Garden Inc. Notes to the Financial Statements

Period Ended March 31, 1996

1. Nature of operations

Kingsbrae Horticultural Garden Inc. is an organization constructing and managing a horticultural garden with the intent of operating the garden for and on behalf of the Province of New Brunswick. Kingsbrae Horticultural Garden Inc. is incorporated under the Companies Act of New Brunswick as a not-for-profit organization. At March 31, 1996 the organization is still in its development stage.

Summary of significant accounting policies

Fund accounting

Kingsbrae Horticultural Garden Inc. follows the restricted fund method of accounting for contributions.

The General Fund accounts for the organization's operational and administrative activities. This fund reports the unrestricted and restricted operating resources.

The Capital Construction Fund reports only restricted resources that are to be used for constructing the garden and acquiring related facilities and equipment for and on behalf of the Province of New Brunswick.

Revenue recognition

Restricted contributions relating to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. Restricted contributions relating to capital construction are recognized as revenue of the Capital Construction Fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteers on a local advisory committee contribute several hours per year to assist Kingsbrae Horticultural Garden Inc. and provide input on various matters pertaining to construction and operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Kingsbrae Horticultural Garden Inc. Notes to the Financial Statements

Period Ended March 31, 1996

Commitments and contractual obligation

Kingsbrae Horticultural Garden Inc. has entered into an agreement to construct and operate a horticultural garden on behalf of the Province of New Brunswick ("Province"). This agreement provides the following:

Income earned from a \$1,000,000 gift made to and deposited by the Province to a special purpose account ("Trust fund") be paid to the organization for operating costs;

A gift up to \$450,000 to be made to and deposited by the Province, to be paid to the organization for capital construction;

The Town of St. Andrews ('Town') to borrow up to \$450,000, to be paid to the organization for capital construction;

The Province to pay up to \$900,000, on a matching basis, to the organization for capital construction;

An annual gift up to \$100,000 to be made to the Province, to be paid to the organization for annual operating deficiencies, if any;

The Town to pay water, sewer, garbage collection, snow removal and street maintenance services during the term of the loan for funds borrowed pursuant to this agreement;

The organization to pay the Town the loan payments less the amount of a grant by the Province to the Town in respect of municipal taxes assessed; and

The Province to pay the organization the lessor of \$25,000 and the above, except to the extent any excess revenue over expenses of the organization are to be paid to the Town.

The agreement further provides that in the event actual deficits for three consecutive years exceed projected deficits for those years, the Province may cease operations, repay the Town's indebtedness pursuant to this agreement, and retain all other funds.

FINANCIAL STATEMENTS
KINGS LANDING CORPORATION
31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

The Chairman and Directors Kings Landing Corporation Prince William, New Brunswick

I have audited the balance sheet of Kings Landing Corporation as at 31 March 1996 and the statement of income and surplus for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Corporation as at 31 March 1996 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 1 to the financial statements.

R. W. Black, FCA. Auditor General

Fredericton, N. B. 17 May 1996

KINGS LANDING CORPORATION BALANCE SHEET 31 MARCH 1996

	1996	1995
ASSETS		
Current assets Cash on hand and in bank Accounts receivable	\$ -	\$ 88,965
Province of New Brunswick - Operating grant Other	33,257 15,668	56,989 26,423
Prepaid expenses Inventories (Note 1(b))	21,853 102,501	9,753
inventories (trote t(b))	173,279	73,479 255,609
Training fund assets (Note 2)	-	629
Publications fund assets (Note 3)	15,619	16,956
Fixed assets (Note 1 (c))	13,932	7,064
	\$202,830	\$280,258
Accounts payable and accrued liabilities Deferred revenue Unexpended portion of designated grants (Note 5)	71,333 4,810 17,413 106,220	139,425 9,610 <u>37,317</u> 186,352
		186,352
Training fund equity (Note 2)		629
Publications fund equity (Note 3)	15,619	16,956
Surplus Provisional fund reserve (Note 4)	10,965	10,965
Unappropriated surplus	70,026	65,356
	80,991 \$202,830	76,321 \$280,258
Approved by the Board		
Chairman		
Member		

1996

KINGS LANDING CORPORATION STATEMENT OF INCOME AND SURPLUS FOR THE YEAR ENDED 31 MARCH 1996

	Budget 1996	Actual 1996	Actual 1995
REVENUE			
Admissions	\$ 317,000	\$ 274,751	\$ 287,210
Emporium	271,200	269,113	260,152
Food services	363,400	358,261	345,987
Education	68,700	73,170	68,614
Subscriptions	- 12,000	10,101	11,488
Costumes	2,800	2,583	6,470
Donations	2,000	7,307	12,290
Site and miscellaneous	17,000	123,548	24,868
	1,054,100	1,118,834	1,017,079
Provincial Grant			
Operating	1,249,500	1,264,700	1,258,600
· · · · ·	2,303,600	2,383,534	2,275,679
EXPENDITURE		•	, ,
Interpretation			
Operations	455,700	456,719	480,069
Education	68,500	65,616	63,254
Fabrics	92,700	84,203	89,174
-	616,900	606,538	632,497
Curatorial	· · · · · · · · · · · · · · · · · · ·	,	
Maintenance	282,400	311,563	293,634
Security	156,400	151,714	149,590
Curatorial	169,300	197,902	158,486
_	608,100	661,179	601,710
Visitor services	329,900	329,479	315,401
Public relations	231,800	219,549	158,854
Administration	250,000	247,754	271,017
Food Services	306,100	314,365	293,236
	2,342,800	2,378,864	2,272,715
NET SURPLUS (DEFICIT) FOR THE YEAR	(39,200)	4,670	2,964
Unappropriated surplus, beginning of year	65,356	65,356	62,392
UNAPPROPRIATED SURPLUS, end of year	\$ 26,156	\$ 70,026	\$ 65,356

KINGS LANDING CORPORATION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. Summary of significant accounting policies

a) Accrual basis

The financial statements are prepared using the accrual basis of accounting whereby revenues and expenditures are allocated to the year in which they are earned or incurred irrespective of the date on which the related cash transactions are effected.

b) Inventories

Inventories are valued at the lower of cost and net realizable value, and comprise the following:

	1996	1995
Emporium	\$ 79,155	\$52,303
Less: Provision for obsolescence	(2,374)	(1,047)
	76,781	51,256
Fabrics	14,269	13,449
Food and liquor	7,537	7,492
Other	3,914	1,282
	\$102,501	\$73,479

c) Fixed assets and depreciation

Land, original buildings and artifacts are carried at nominal value.

Assets acquired since the opening of the site with the Corporation's own funds are capitalized, except for artifacts, which are all expensed in the year purchased. Depreciation is taken on fixed assets on a straight-line basis over the estimated useful life of the assets.

Depreciation charged for the current year amounted to \$7,063 (1995 - \$7,645). This amount has been allocated to the appropriate categories of expenditure in the statement of income and surplus.

Details of fixed assets are as follows:

	1996	1995
Land, original buildings and artifacts	\$ 1	\$ 1
Buildings	13,932	-
Equipment and furniture	42,011	42,012
Automotive equipment	51,867	51,867
	107,811	93,880
Less: Accumulated depreciation	93,879	86,816
	\$ 13,932	\$ 7,064

KINGS LANDING CORPORATION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

2. Training fund

This fund was set up during the 1980 fiscal year for the purpose of financing the future costs of specialized training of the Corporation's staff from time to time as approved by the Board of Directors. During the 1996 fiscal year all remaining funds were used for this purpose.

3. Publications fund

This fund was established in the 1977 fiscal year and represents amounts set aside for purposes of publication of approved historical literature. Details of the fund are shown below:

	1996	1995
Publications fund net assets		
Current assets		
Accounts receivable	\$ 493	\$ 493
Inventory of books, at cost	18,842	23,664
	19,335	24,157
Current liabilities	3,716	7,201
	\$15,619	\$16,956
Publications fund equity		
Balance, beginning of year	\$16,956	\$16,642
Add: Interest earned	· · ·	314
Less: Write off on inventory	1,337	-
Balance, end of year	\$15,619	\$16,956

4. Provisional fund reserve

This account was established in the 1979 fiscal year as a contingency reserve to provide funds for unexpected operating expenses approved from time to time by the Board of Directors of the Corporation.

KINGS LANDING CORPORATION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

5. Designated Grants

a) Exhibition Gallery

During the 1994 fiscal year a grant of \$50,000 was received for the purpose of establishing and operating a Kings Landing Exhibition Program.

	1996	1995	
Unexpended balance, beginning of year Expenditures for the year	\$17,984 571	\$46,532 28,548	
Unexpended balance, end of year	\$17,413	\$17,984	-

b) Museums Assistance Program

During the 1996 fiscal year, no additional grants (1995 - \$30,000) were received from the Federal Government. At 31 March 1996, the balance carried forward from 1995 of \$19,333 had been used on the project.

6. Capital grants

During the year \$35,000 (1995 - \$75,000) was received from the Province of New Brunswick in capital grants. This was used to offset \$35,000 (1995 - \$75,000) of capital improvements to the site and capital purchases.

7. Donations - artifacts

During the year the Corporation received various donations of artifacts. For many of these donations, income tax receipts were prepared by the Corporation for the individuals donating the artifacts. For the year ended 31 March 1996, the income tax receipts totalled \$40,525 (1995 - \$31,837).

8. Statement of changes in financial position

This statement was not prepared as the information it would contain was considered not significant.

FINANCIAL STATEMENTS

LOTTERIES COMMISSION OF NEW BRUNSWICK

31 MARCH 1996

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

To the Members of the Lotteries Commission of New Brunswick

I have audited the balance sheet of the Lotteries Commission of New Brunswick as at 31 March 1996 and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Commission as at 31 March 1996 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 8 October 1996

LOTTERIES COMMISSION OF NEW BRUNSWICK BALANCE SHEET 31 MARCH 1996

ASSETS	1996	1995
Current assets		
Due from Atlantic Lottery Corporation Inc.	\$ 7,306,971	\$ 5,255,528
Other assets		
Funds held by Atlantic Lottery Corporation Inc.		
re: acquisition of fixed assets	511,616	528,294
Investment in share capital of Atlantic Lottery Corporation Inc.	100	100
Investment in share capital of Interprovincial Lottery Corporation	1	1
	511,717	528,395
	\$ 7,818,688	\$ 5,783,923
LIABILITIES AND CONTRIBUTED SURPLUS		
Current liabilities		
Due to Province of New Brunswick (Note 4)	\$ 7,306,971	\$ 5,255,528
Long-term liabilities		
Due to Province of New Brunswick (Note 4)	511,616	528,294
Contributed surplus (Note 2)	101	101
	\$ 7,818,688	\$ 5,783,923
Approved by the Commission		
Member		
Member		•

LOTTERIES COMMISSION OF NEW BRUNSWICK STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 1996

REVENUE	1996 Budget	1996	1995
Share of net profit of Atlantic Lottery Corporation Inc. (Note 1) Other revenue (Note 3)	\$ 74,009,000 	\$ 82,031,106 45,496	\$ 63,901,837 32,450
	74,009,000	82,076,602	63,934,287
EXPENDITURE Payments to the Province of New Brunswick (Note 1)			
Ordinary account revenue	62,500,000	70,340,401	52,454,509
Environmental Trust Fund	10,000,000	10,000,000	10,000,000
Sport Development Trust Fund	400,000	400,000	400,000
Arts Development Trust Fund	400,000	400,000	400,000
Agreements with First Nations	-	121,283	-
Expenses for video game inspection	534,900	613,175	544,105
Administrative costs	174,100	201,743	135,673
	74,009,000	82,076,602	63,934,287
EXCESS OF REVENUE OVER EXPENDITURE	\$ -	\$ -	\$ -

LOTTERIES COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. Summary of significant accounting policies

New Brunswick's share of Atlantic Lottery Corporation Inc. profit

Operational costs attributable to all provinces are subtracted from total revenues of Atlantic Lottery Corporation Inc. The remaining profits are allocated to the individual provinces on the basis of each province's portion of net sales. Net sales are defined as the province's gross sales less sales discounts and prizes for the province. Expenses separable and specific to the individual province are then subtracted and the balance is paid to the province.

Payments to the Province of New Brunswick

The Lotteries Commission of New Brunswick remits the profits it receives from Atlantic Lottery Corporation Inc. to the Province of New Brunswick. The profits from certain types of lotteries have been designated as revenue for specific trust funds operated by the Province of New Brunswick. Annual lottery profits designated for the Arts and Sport Development Trust Funds have each been set by the Province at a minimum of four hundred thousand dollars. Video lottery profits paid annually to the Environmental Trust Fund have been capped by the Province at ten million dollars.

The Lotteries Act provides that the Commission may pay the First Nations 95% of all profits received from the Atlantic Lottery Corporation for the operation of video lottery on reserves having agreements with the Province. Where these agreements are in place the Province also rebates all provincial earnings from the sale of breakopen tickets sold on reserves. As of 31 March 1996, three First Nations bands have signed agreements: Fort Folley, Oromocto and Woodstock. This is the first year in which such arrangements with the bands were in place.

Investments

The New Brunswick government operates no lotteries but the Province is a shareholder in Atlantic Lottery Corporation Inc. and in the Interprovincial Lottery Corporation. Atlantic Lottery Corporation Inc. is a jointly-owned corporation of the four Atlantic provinces and is responsible to develop, organize, undertake, conduct and manage lotteries in Atlantic Canada. Atlantic Lottery Corporation Inc. also markets and handles regionally the products of the Interprovincial Lottery Corporation. The Interprovincial Lottery Corporation is a corporation jointly owned by the ten Canadian provinces.

The investments in Atlantic Lottery Corporation Inc. and Interprovincial Lottery Corporation are carried at cost. Net profits of these corporations are distributed annually to the shareholders.

LOTTERIES COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

2. Contributed surplus

This amount represents funds paid by the Province of New Brunswick on behalf of the Lotteries Commission of New Brunswick to Atlantic Lottery Corporation Inc. and the Interprovincial Lottery Corporation in exchange for share capital.

3. Other revenue

The Province of New Brunswick requires that charitable/non-profit groups pay a small fee for their licenses for gaming activities such as bingo, raffles etc. Fines issued under the Lotteries Act relating to the video lottery program are also included in this account.

4. Statement of transactions with the Province of New Brunswick

	1996	1995
Current liability		
Balance, beginning of year	\$ 5,255,528	\$ 5,781,400
Income for the year	82,031,106	63,901,837
Decrease (increase) in long-term liability in the year	16,678	(20,943)
Funds available to Province of New Brunswick	87,303,312	69,662,294
Less remittances during the year	79,996,341	64,406,766
Balance, end of year	\$ 7,306,971	\$ 5,255,528
Long-term liability		
Balance, beginning of year	\$ 528,294	\$ 507,351
Increase (decrease) in long-term liability in the year	(16,678)	20,943
Balance, end of year	\$ 511,616	\$ 528,294

LOTTERIES COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

5. Contingency

Claims have been made against the Lotteries Commission of New Brunswick by another organization for breach of contract. The claims are for damages and loss of profits relating to the Commission's termination of a contract for the supply and distribution of breakopen lottery tickets.

The Commission has filed a counter claim for loss of revenue and for revenues owed to the Commission but not yet paid.

It is not possible to determine the amount of the settlements of the above court actions. Any settlement resulting from these court actions will be accounted for as a charge or credit to income in the period in which the settlement occurs.

FINANCIAL STATEMENTS MENTAL HEALTH COMMISSION OF NEW BRUNSWICK 31 MARCH 1996

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

To the Chairman and Members of the Mental Health Commission of New Brunswick

To the Honourable Russell H. T. King, MD Minister of Health and Community Services Province of New Brunswick

I have audited the balance sheet of the Mental Health Commission of New Brunswick as at 31 March 1996 and the statements of revenue and expenses, deficit and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Mental Health Commission of New Brunswick as at 31 March 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 16 August 1996

MENTAL HEALTH COMMISSION OF NEW BRUNSWICK BALANCE SHEET 31 MARCH 1996

	1996	1995
ASSETS		
Current		
Accounts receivable	\$ 1,151,283	\$ 382,112
Prepaid expenses	433	10,288
	1,151,716	392,400
Fixed, at cost		
Buildings, furniture and equipment	683,937	613,772
Less accumulated depreciation	(353,988)	(250,746)
	329,949	363,026
	\$ 1,481,665	\$ 755,426
LIABILITIES AND DEFICIT Current		
Current		
Bank indebtedness	\$ 952,417	\$ 4,764,114
Bank indebtedness Accounts payable	·	
Bank indebtedness Accounts payable Trade	5,836,345	3,489,959
Bank indebtedness Accounts payable Trade Wages and employee benefits	5,836,345 343,382	
Bank indebtedness Accounts payable Trade	5,836,345 343,382 7,000,000	3,489,959 779,052
Bank indebtedness Accounts payable Trade Wages and employee benefits	5,836,345 343,382	3,489,959
Bank indebtedness Accounts payable Trade Wages and employee benefits	5,836,345 343,382 7,000,000	3,489,959 779,052
Bank indebtedness Accounts payable Trade Wages and employee benefits Due to Province of New Brunswick	5,836,345 343,382 7,000,000 14,132,144	3,489,959 779,052 - 9,033,125
Bank indebtedness Accounts payable Trade Wages and employee benefits Due to Province of New Brunswick	5,836,345 343,382 7,000,000 14,132,144 (12,650,479)	3,489,959 779,052 - 9,033,125 (8,277,699)

Director

MENTAL HEALTH COMMISSION OF NEW BRUNSWICK STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
REVENUE		
Province of New Brunswick	\$45,056,335	\$45,812,933
Recoveries and other sales	1,393,843	933,313
	46,450,178	46,746,246
EXPENSES Clinics		
Wages and benefits	15,449,328	14,571,487
Therapeutic and support services	2,206,690	2,121,628
Depreciation	78,478	72,239
	17,734,496	16,765,354
Central Office Wages and benefits Therapeutic support group assistance Patient stipends Other support services Grants - psychiatric units at regional hospitals Grants - psychiatric hospitals Depreciation Total expenses	927,787 3,687,685 214,795 1,743,101 11,178,535 15,040,960 24,764 32,817,627 50,552,123	774,004 1,807,812 263,340 1,882,023 9,628,835 18,329,896 19,650 32,705,560 49,470,914
EXCESS OF EXPENSES OVER REVENUE BEFORE SETTLEMENT OF PRIOR YEARS' DEFICITS	4,101,945	2,724,668
Settlement of prior years' deficits (note 4)	341,000	1,565,824
EXCESS OF EXPENSES OVER REVENUE	\$ 4,442,945	\$4,290,492

MENTAL HEALTH COMMISSION OF NEW BRUNSWICK STATEMENT OF DEFICIT FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
Deficit, beginning of year		
Central Office	\$ 8,087,628	\$ 4,063,175
Community Mental Health Service	190,071	1,424
	8,277,699	4,064,599
Less		
Capital grants for equipment	(70,165)	(77,392)
	8,207,534	3,987,207
Add		
Excess of expenses over revenue	4,442,945	4,290,492
DEFICIT, END OF YEAR	\$12,650,479	\$ 8,277,699

MENTAL HEALTH COMMISSION OF NEW BRUNSWICK STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
CASH PROVIDED BY (USED FOR):		
Operations		
Excess of expenses over revenue Add items not requiring a cash payment	\$(4,442,945)	\$(4,290,492)
Depreciation	103,242	91,889
	(4,339,703)	(4,198,603)
Net change in non-cash working capital		
balances related to operations (Note 2)	8,151,400	2,291,802
	3,811,697	(1,906,801)
Investments		
Capital grants for equipment	70,165	77,392
Purchase of fixed assets	(70,165)	(77,392)
	-	•
INCREASE (DECREASE) IN CASH	3,811,697	(1,906,801)
Cash, beginning of year	(4,764,114)	(2,857,313)
CASH, END OF YEAR	\$ (952,417)	\$(4,764,114)

MENTAL HEALTH COMMISSION OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

Effective 1 April 1996 the Mental Health Commission of New Brunswick was dissolved by the Province of New Brunswick. The Department of Health and Community Services is now responsible for planning, coordinating and delivering mental health programs throughout the Province.

1. Significant accounting policies

Fixed assets

Fixed assets are carried at cost. Depreciation is provided on a straight-line basis over their estimated useful lives.

Funding from the Province of New Brunswick for fixed asset acquisitions is credited immediately to equity.

Retroactive pay

The Commission does not accrue for retroactive wage costs attributable to union agreements unsigned at year-end, where the Province has not recognized or ear-marked funds for this purpose.

2. Net change in non-cash working capital balance related to operations

	1996	1995
Decrease (increase) in assets		
Accounts receivable	\$ (769,171)	\$448,281
Prepaid expenses	9,855	76,380
Increase (decrease) in liabilities		
Trade accounts payable	2,346,386	1,727,780
Wages and employee benefits payable	(435,670)	39,361
Due to Province of New Brunswick	7,000,000	-
	\$8,151,400	\$2,291,802

3. Income taxes

The Commission is a body corporate by virtue of the Mental Health Commission of New Brunswick Act, Statutes of New Brunswick and is exempt from income taxes under Section 149(1)(d) of the Income Tax Act.

4. Prior years' deficits

In 1995 and 1996, the Commission reached settlements with Centracare Saint John Inc. and Restigouche Hospital Centre Inc. relating to the funding of operating deficits incurred by those hospitals during previous fiscal years.

FINANCIAL STATEMENTS NEW BRUNSWICK CREDIT UNION DEPOSIT INSURANCE CORPORATION

31 DECEMBER 1995

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

To the Chairperson and Directors of the New Brunswick Credit Union Deposit Insurance Corporation

I have audited the balance sheet of the New Brunswick Credit Union Deposit Insurance Corporation as at 31 December 1995 and the statement of revenue and expenditure for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Corporation as at 31 December 1995 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N.B. 14 February 1996

NEW BRUNSWICK CREDIT UNION DEPOSIT INSURANCE CORPORATION BALANCE SHEET 31 DECEMBER 1995

	1995	1994
ASSETS		
Cash	\$ 7,047	\$ 14,236
LIABILITIES		
Accounts payable Advances - stabilization boards (Note 2)	\$ 2,020 5,027	\$ 3,907 10,329
	\$ 7,047	\$ 14,236
Approved by the Board		
Chair	person	
, Direct	ctor	

NEW BRUNSWICK CREDIT UNION DEPOSIT INSURANCE CORPORATION STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994 ⁽¹⁾
REVENUE (Note 2)		
Contributions - stabilization boards	\$ 5,302	\$ 4,671
EXPENDITURE (Note 2)		
Communications	2,492	2,378
Board of Directors	2,810	2,293
	5,302	4,671
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	\$ -	\$

⁽¹⁾ Comparative figures of 1994 are for the period of 31 January to 31 December 1994

NEW BRUNSWICK CREDIT UNION DEPOSIT INSURANCE CORPORATION NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

1. Authority and objective

The Corporation is an independent entity created under the provisions of the *Credit Unions Act* proclaimed on 31 January 1994. The mandate of the Corporation is to provide deposit insurance to members of credit unions in New Brunswick for the amount prescribed by regulations. The Corporation may also assist stabilization boards in providing financial assistance to credit unions.

The Credit Unions Act provides that the Corporation may levy credit unions for the funds required to carry out its mandate. The Act also provides that costs incurred in relation to the activities of the Corporation shall be assumed by the stabilization boards when they are requested to do so. Finally the Corporation may apply to the Province for loans or guarantees.

The affairs of the Corporation are administered by a Board of Directors of five persons. The Superintendent of credit unions responsible for the administration of the *Credit Unions Act* is the Chairperson of the Board. Each stabilization board appoints two representatives to the Board of Directors of the Corporation.

2. Significant accounting policies

During 1994 the Corporation requested an advance of \$15,000 from the stabilization boards to cover its expenses. The Corporation records portions of the advances as revenue when expenses are incurred. The remaining balance of \$5,027 is recorded as a liability on the balance sheet. No levy was made against credit unions during 1995.

The Corporation operates as a separate entity within the Credit Unions, Co-operatives and Trust Companies Branch of the Department of Justice. As such the Branch assumes the salary and some overhead costs which relate to the administration of the Corporation. Those costs are reflected in the expenditures of the Branch and are not recovered from the Corporation.

3. Deposit protection for credit union/caisses populaires members

As described in Note 1 it is the mandate of the Corporation to provide deposit insurance coverage for members of credit unions in New Brunswick. Currently, a maximum basic coverage of \$60,000 is provided for insured deposits of each credit union member. Separate deposit coverage up to a maximum of \$60,000 each is also provided for joint deposits, trust deposits and deposits held in RRSPs and in RRIFs.

The current legislation provides for the continued existence of the two stabilization boards which have operated in the province since 1978. Each stabilization board has established a stabilization fund which is available to provide financial assistance to its affiliated credit unions. As at 31 October 1995, l'Office de Stabilisation de la Fédération des Caisses Populaires Acadiennes Limitée reported assets of \$27.2 million and the Brunswick Credit Union Federation Stabilization Board Limited reported assets of \$5.8 million. Each stabilization board is responsible to carry out

NEW BRUNSWICK CREDIT UNION DEPOSIT INSURANCE CORPORATION NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

3. Deposit protection for credit union/caisses populaires members (continued)

inspections and monitor the financial condition and business practices of its member credit unions on an ongoing basis.

Both the stabilization boards and the Corporation have responsibilities for the protection of deposits of credit union members. This common objective requires close cooperation between the stabilization boards and the Corporation in the development of policy to fulfil the mandate of the respective organizations.

FINANCIAL STATEMENTS
NEW BRUNSWICK CROP INSURANCE
COMMISSION
31 MARCH 1996

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

To the Chairman and Members of the New Brunswick Crop Insurance Commission

I have audited the balance sheet of the New Brunswick Crop Insurance Commission as at 31 March 1996 and the statements of revenue and expenditure, deficit and changes in financial position for the year then ended. These financial statements are the responsibility of the Commission's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Commission as at 31 March 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 8 November 1996

NEW BRUNSWICK CROP INSURANCE COMMISSION BALANCE SHEET 31 MARCH 1996

		1996	1995
ASSETS			
Accounts receivable			
Insured persons	- crop insurance	\$ 22,932	\$ 32
•	- crop insurance component of GRIP	46,162	-
	- revenue protection component of GRIP	162,929	11,021
Province of New	Brunswick	270,419	28,346
Canada		363,526	33,857
	e Fund of New Brunswick	1,116,179	1,187,129
Crop Reinsurano	e Fund of Canada for New Brunswick	884,811	1,186,477
Other		29,880	53,695
		2,896,838	2,500,557
nterest receivable f	rom farmers	11,322	439
Prepaid expenses	- Crop Reinsurance Fund of New Brunswick - Crop Reinsurance Fund of Canada	22,661	24,515
	for New Brunswick	22,661	24,515
Reserve Fund	- crop insurance (Note 2) - revenue protection (Note 2)	865,007	422,496
		\$3,818,489	\$2,972,522
ccounts Payable			
Indemnities	- crop insurance	\$3,001,631	\$2,742,313
	- crop insurance component of GRIP	7,266	6,104
	- revenue protection component of GRIP	653,219	385,314
Interest	- producers	30	30
	- Province of New Brunswick	•	98,845
	- Canada	-	29,433
•	e Fund of New Brunswick	57,519	15,320
Crop Reinsuranc	e Fund of Canada for New Brunswick	57,519	15,320
		3,777,184	3,292,679
	nce of New Brunswick - revenue protection	380,918	565,754
dvance from Cana	da - revenue protection	707,419	1,050,686
		4,865,521	4,909,119
eferred revenue		151,074	163,437
eficit	- crop insurance	(1,604)	(1,604)
	- revenue protection	(1,196,502)	(2,098,430)
pproved by the Ćoi	mmission	\$3,818,489	\$2,972,522
PPO ACO DA MIS PÓN			
h -18-11-2	Chairman		
	Member		

NEW BRUNSWICK CROP INSURANCE COMMISSION STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 1996

REVENUE	1996	1995
Premiums from producers		
- crop insurance (Schedule A)	\$2.424.600	62.000.470
- crop insurance component of GRIP (Schedule B)	\$3,434,698 190,919	\$3,082,472
- revenue protection (Schedule B)	667,149	151,450 576,000
Premium contributions from Province of New Brunswick	007,149	576,986
- crop insurance	1,812,809	1,616,962
- revenue protection	500,361	432,740
Premium contributions from Canada	300,301	432,740
- crop insurance	1,812,809	1,616,962
- revenue protection	833,934	721,234
Total Premiums	9,252,679	8,198,806
	3,232,073	0, 190,000
Contributions for administration		
- Province of New Brunswick	578,927	565,656
- Canada	578,927	565,656
Contribution from Reinsurance Funds (Note 3)	0,021	303,030
- New Brunswick	1,127,332	1,218,760
- Canada for New Brunswick	918,270	1,186,477
Interest - from producers	40,580	21,648
	12,496,715	11,757,003
EXPENDITURES		
Indemnities - crop insurance (Schedule C)	6,834,339	6,599,603
 crop insurance component of GRIP (Schedule D) 	261,931	314,658
- revenue protection (Schedule D)	998,538	2,026,563
Administration (Schedule E)	1,157,852	1,131,330
Interest - revenue protection - Province of New Brunswick	41,494	18,207
- Canada	97,192	41,164
Crop Reinsurance Fund of Canada for New Brunswick	1,087,685	970,177
Crop Reinsurance Fund of New Brunswick	1,087,685	970,177
Other	28,071	36,919
	11,594,787	12,108,798
EVOCAS (PEGISIAN) OF THE CONTROL OF		
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE		
FOR THE YEAR	\$ 901,928	\$ (351,795)
Allocated as follows:		
Crop Insurance	\$ -	\$ -
Revenue Protection	901,928	(351,795)
	\$ 901,928	\$ (351,795)

NEW BRUNSWICK CROP INSURANCE COMMISSION STATEMENT OF DEFICIT FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
Deficit, beginning of year	\$(2,100,034)	\$(1,748,239)
Excess (deficiency) of revenue over expenditure for the year	901,928	(351,795)
DEFICIT, END OF YEAR	\$(1,198,106)	\$(2,100,034)
Allocated as follows: Crop Insurance Revenue Protection	\$ (1,604) (1,196,502) \$(1,198,106)	\$ (1,604) (2,098,430) \$(2,100,034)

NEW BRUNSWICK CROP INSURANCE COMMISSION STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
	1000	1333
CASH PROVIDED BY (USED FOR):		
Operations		
Excess (deficiency) of revenue over expenditure for the year	\$ 901,928	\$ (351,795)
Decrease (increase) in accounts receivable	(407, 164)	(1,754,544)
Increase (decrease) in accounts payable	484,505	1,559,563
Increase (decrease) in deferred revenue	(12,363)	29,146
Decrease (increase) in reserve fund	(442,511)	(418,219)
Decrease (increase) in prepaid expenses	3,708	(8,744)
Cash provided by (used for) operations	528,103	(944,593)
Financing activities		
Increase (decrease) in advance from the Province		
of New Brunswick	(184,836)	330,607
Increase (decrease) in the advance from Canada	(343,267)	613,986
Cash provided by (used for) financing activities	(528,103)	944,593
•	· · · · · · · · · · · · · · · · · · ·	
CASH POSITION AT BEGINNING AND AT END OF YEAR	\$ -	\$ -

NEW BRUNSWICK CROP INSURANCE COMMISSION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. Description of operations

The Crop Insurance Act, assented to on 10 June 1966, serves as the basis for the establishment of the Commission. Regulation 83-29 under the Act establishes the Commission and sets out its powers and duties.

The Commission is responsible for administering the delivery to farmers of a crop insurance plan and a gross revenue insurance plan (G.R.I.P.) which has crop insurance and revenue protection components. The Commission first became responsible for the revenue protection component of the G.R.I.P. program. In the fiscal 1993 year. The 1995 crop year is the final year for the G.R.I.P. Program. These plans are funded through farmer premiums and through contributions from the Province of New Brunswick and the Government of Canada.

The crop insurance plan provides farmers with insurance protection against losses of production while the revenue protection plan provides insurance coverage against low market prices.

Initial premium billings to farmers and indemnities paid to farmers under G.R.I.P. policies include a portion which relates to the crop insurance plan. These amounts are set up separately in these financial statements.

All accounting transactions are recorded through the Consolidated Fund of the Province of New Brunswick. Certain administrative expenses which would normally be provided by the Province are allocated to the Commission and recorded in its financial statements for federal-provincial cost sharing purposes only.

2. Reserve fund

Under the terms of the Federal-Provincial Agreement two reserve funds must be maintained, one for the crop insurance plan and one for the revenue protection plan. All insurance premiums received, including the premium contributions of both governments, are put in the respective funds. In the case of crop insurance these premiums are used first to pay premiums to the Crop Reinsurance Fund of Canada for New Brunswick and to the Crop Reinsurance Fund of New Brunswick and then to pay indemnities to farmers. Any remaining excess is to be set aside in the reserve fund to pay future years' indemnities. In the case of the revenue protection plan the premiums are used first to pay indemnities to farmers and then to repay any advances from Canada or the Province of New Brunswick. Any remaining excess is to be set aside in the reserve fund to pay future years' indemnities.

NEW BRUNSWICK CROP INSURANCE COMMISSION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

3. Revenue - Province of New Brunswick and Government of Canada

(a) Premium contributions

The contributions of the farmer, the Province of New Brunswick and Canada towards the necessary premiums in respect of the policies of insurance sold in any year are as follows:

	Revenue Protection	Crop Insurance
Farmer	33 ½ %	50%
New Brunswick	25%	25%
Canada	41 3/3 %	25%
	100%	100%

(b) Administrative expense contributions

The Province of New Brunswick and Canada each pay 50% of all administrative costs incurred in the implementation of the crop insurance and revenue protection programs.

(c) Crop Reinsurance Funds

On an annual basis a reinsurance premium of 15% of total crop insurance premiums is submitted to each of the Crop Reinsurance Fund of Canada for New Brunswick and the Crop Reinsurance Fund of New Brunswick. Claims are made on the Funds for a portion of any operating deficits incurred by the Commission on a crop year basis.

Actual transactions with the Funds are made on a cash basis while these financial statements are prepared using the accrual basis of accounting. The following is a summary of the transactions which occurred within the Funds on a cash basis during the year:

Crop Reinsurance Fund of Canada for New Brunswick	1996	1995
Excess of claims over premiums, 1 April	\$7,703,861	\$8,683,357
Premiums submitted	(1,065,113)	(979,496)
Claims	512,729	-
Excess of claims over premiums, 31 March	\$7,151,477	\$7,703,861

NEW BRUNSWICK CROP INSURANCE COMMISSION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

3. Revenue - Province of New Brunswick and Government of Canada - continued

Crop Reinsurance Fund of New Brunswick	1996	1995
Excess of claims over premiums, 1 April	\$ 3,746,655	\$4,495,620
Premiums submitted	(1,065,113)	(979,496)
Claims	962,547	230,531
Excess of claims over premiums, 31 March	\$3,644,089	\$3,746,655

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4. Contingency

During a review of the N.B. Crop Insurance program in the fall of 1995, the federally hired actuary alleged that the probable yield methodology used since 1993 for potatoes and apples was flawed. He determined that the flaw resulted in some over insurance, causing premium rates to be too high. His calculations indicated an over contribution by the federal government of approximately \$1.08 million. The federal government is of the opinion that the methodology employed by New Brunswick was not in compliance with the Crop Insurance Regulations. The legal opinion obtained from the N.B. Department of Justice indicates that the methodology employed was in compliance with the Regulations. The N.B. Crop Insurance Commission therefore believes that all requirements were met and that there is no basis for a request for repayment. The two levels of government currently disagree on the matter and are continuing to negotiate.

NEW BRUNSWICK CROP INSURANCE COMMISSION SCHEDULE OF PRODUCER PREMIUMS - CROP INSURANCE FOR THE YEAR ENDED 31 MARCH 1996

SCHEDULEA

1996	1995
\$3 283 <i>4</i> 70	\$2,950,561
• •	731
39,168	35,135
43,618	67,542
27,656	28,503
38,558	· -
\$3,434,698	\$3,082,472
	\$3,283,470 2,228 39,168 43,618 27,656 38,558

SCHEDULEB

NEW BRUNSWICK CROP INSURANCE COMMISSION SCHEDULE OF PRODUCER PREMIUMS - GRIP FOR THE YEAR ENDED 31 MARCH 1996

	Crop Insurance Component		Revenue Protec	tion Component
	1996	1995	1996	1995
Wheat feed	\$ 25,450	\$ 19,500	\$ 88,934	\$ 76,987
Wheat seed	4,303	4,573	15,038	18,054
Oats feed	20,197	16,116	70.575	73,394
Oats seed	7,127	6,386	24,906	29,082
Barley feed	97,495	82,922	340,685	304,285
Barley seed	26,781	14.279	93,583	52,396
Mixed grain	1,263	856	4,413	4.108
Soy beans	8,303	6,818	29,015	18,680
	\$190,919	\$151,450	\$667,149	\$576,986

NEW BRUNSWICK CROP INSURANCE COMMISSION SCHEDULE OF INDEMNITIES - CROP INSURANCE FOR THE YEAR ENDED 31 MARCH 1996		SCHEDULEC
	1996	1995
Potatoes	\$6,357,569	\$6,377,580
Spring Grain	2,967	4,637
Apples	45,336	102,460
Blueberries	68,582	63,144
Strawberries	15,796	51,782
Tomatoes	344,089	-
	\$6,834,339	\$6,599,603

SCHEDULE D

NEW BRUNSWICK CROP INSURANCE COMMISSION SCHEDULE OF INDEMNITIES - GRIP FOR THE YEAR ENDED 31 MARCH 1996

	Crop Insurance Component		Revenue Protection Component	
	1996	1995	1996	1995
Wheat feed	\$ 22,783	\$ 46,176	\$ 77,307	\$ 264,497
Wheat seed	2,124	-	7.367	51.719
Oats feed	67,203	23,916	128,819	159.948
Oats seed	13,897	104	53,340	44,854
Barley feed	88,861	204,743	438,986	1,206,686
Barley seed	48,301	32,176	202,868	227,610
Mixed grain	709	2,665	7,468	8,855
Soy beans	18,053	4,878	82,383	62,394
	\$261,931	\$314,658	\$998,538	\$2,026,563

SCHEDULEE

NEW BRUNSWICK CROP INSURANCE COMMISSION SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 1996

	1996			1995
	GRIP	Crop Insurance	Total	- Total
Personnel	\$117,506	\$528,812	\$ 646.318	\$ 662.139
Information costs	1,443	8,177	9.620	8,298
Transportation & communication	17,729	93,426	111,155	103,848
Utilities, material & supplies	1,644	8,850	10.494	8,209
Professional services	41,747	234,104	275.851	233,697
Repairs & maintenance	416	2,360	2,776	3.396
Office accommodations	6,286	35,619	41,905	40,133
Capital equipment	1,199	6,797	7,996	28,868
Other	7,761	43,976	51,737	42,742
Total administrative expenses	\$195,731	\$962,121	\$1,157,852	\$1,131,330



GEOGRAPHIC INFORMATION CORPORATION

Financial Statements

March 31, 1996

New Brunswick

GEOGRAPHIC INFORMATION CORPORATION

AUDITORS' REPORT

To the Members of the Board:

We have audited the balance sheet of the New Brunswick Geographic Information Corporation as at March 31, 1996 and the statements of income and changes in equity and financial position for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with the basis of accounting as disclosed in Note 2 to the financial statements.

Fredericton, N B Canada May 17, 1996 KPMG Peat Marwick Thorne Chartered Accountants

New Brunswick GEOGRAPHIC INFORMATION CORPORATION

BALANCE SHEET As at March 31, 1996

	1995/96	1994/95
ASSETS		
Cash and investments	\$4,017,500	\$2,553,461
Accounts receivable	441,306	530,159
Prepaid expenses	66,777	71,020
	\$4,525,583	\$3,154,640
LIABILITIES & EQUITY		
LIABILITIES	Minus and a second	
Accounts payable and accrued liabilities	\$1,894,119	\$1,938,216
Deferred revenue	232,215	89,890
Monument replacement	25,191	77,461
	2,151,525	2,105,567
EQUITY	2,374,058	1,049,073
	\$4,525,583	\$3,154,640

**	
Thomas & O'Neil	Robert W Gamble
Chairman of the Board	President

New Brunswick

GEOGRAPHIC INFORMATION CORPORATION

STATEMENT OF INCOME

For the year ended March 31, 1996

	1995/96	1994/95
REVENUES		
Provincial services	\$ 6,554,300	\$11,929,600
Municipal services	5,152,000	-
Registration fees	5,555,559	4,610,938
Map and data sales	1,250,540	1,086,892
Other	554,416	590,302
Interest	331,220	264,125
Employment subsidies	110,318	78,539
	19,508,353	18,560,396
EXPENSES		
Personnel services	12,579,194	12,827,720
Other services	4,798,087	4,791,655
Materials and supplies	327,392	403,273
Equipment and furniture	464,345	555,634
Grants	3,250	4,115
Bad debts and losses	11,100	383
	18,183,368	18,582,780
	\$ 1,324,9 8 5	\$ (22,384)

New Brunswick

GEOGRAPHIC INFORMATION CORPORATION

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 1996

	1995/96	1994/95
OPENING EQUITY	\$1,049,073	\$1,071,457
ADD: Net income	1,324,985	-
LESS: Net loss	-	22,384
ENDING EQUITY	\$2,374,058	\$1,049,073

New Brunswick GEOGRAPHIC INFORMATION CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION For the year ended March 31, 1996

	1995/96	1994/95
OPENING CASH AND INVESTMENTS	\$2,553,461	\$2,432,530
ADD:		
Net income	1,324,985	-
Increase in liabilities	45,958	219,435
LESS:		
Net loss	-	22,384
Increase(decrease) in other assets	(93,096)	76,120
ENDING CASH AND INVESTMENTS	\$4,017,500	\$2,553,461

New Brunswick

GEOGRAPHIC INFORMATION CORPORATION

NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 1996

1. NEW BRUNSWICK GEOGRAPHIC INFORMATION CORPORATION

The Corporation was incorporated under the <u>New Brunswick Geographic</u> <u>Information Act</u> on March 31, 1990. Its mandate is:

- to provide and coordinate geographic information services to the Province of New Brunswick and the public, including an assessment base for real property taxation and registration systems for real and personal property; and
- 2. to promote the development of the private sector geomatics industry in New Brunswick.

2. ACCOUNTING POLICIES

Generally accepted accounting principles are followed by the Corporation with the exception of capitalization of inventories and physical assets.

In keeping with generally accepted government practice, inventories and physical assets are expensed in the year of acquisition.

3. PHYSICAL ASSETS

Since inception, the Corporation has acquired the following physical assets. Because they were expensed in the year of acquisition, no amount for depreciation has been charged against operations in subsequent years.

	CURRENT	IOIAL
Office equipment and furniture	\$ 43,625	\$ 509,699
Computers and software	412,990	3,572,960
Other equipment	<u> 7,730</u>	<u>221,679</u>
• •	<u>\$ 464,345</u>	<u>\$ 4,304,338</u>

No valuation has been made for assets transferred into the Corporation at inception.

New Brunswick

GEOGRAPHIC INFORMATION CORPORATION

4. LEASE COMMITMENTS

The following are future minimum payments for leased premises and equipment:

Years ended	1997	\$ 626,500
	1998	420,874
	1999	388,185
	2000	384,236
	2001	 189,611
		\$ 2.009.406

5. OTHER COMMITMENTS

The Corporation has an agreement with the developer of one of its systems which requires it to make minimum payments of \$2,300,000 over a five year term commencing in 1995. Payments to March 31, 1996 were \$137,088.

FINANCIAL STATEMENTS NEW BRUNSWICK LIQUOR CORPORATION 31 MARCH 1996



KPMG Peat Marwick Thorne Chartered Accountants Frederick Square
77 Westmorland Street, Suite 700
Fredericton, New Brunswick E3B 6Z3
Canada

Telephone (506) 452-8000 Telefax (506) 450-0072

AUDITORS' REPORT TO THE DIRECTORS

We have audited the balance sheet of the New Brunswick Liquor Corporation as at March 31, 1996 and the statements of income and changes in cash resources for the year then ended. These financial statements are the responsibility of the corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the corporation as at March 31, 1996 and the results of its operations and the changes in its cash resources for the year then ended in accordance with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The current year's supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Chartered Accountants

Fredericton, N.B., Canada May 31, 1996

BALANCE SHEET

	MARCH 31				
Assets	1996	1995			
Current Assets					
Cash	\$ 177 700	\$ 153 870			
Accounts receivable	740 166	543 064			
Inventories (note 1)	9 747 776	11 063 629			
Prepaid expenses	123 068	122 370			
Total current assets	10 788 710	11 882 933			
Deferred Charges					
Deferred pension costs	5 431 250	5 925 000			
Fixed Assets					
Property, plant and equipment (note 2)	10 035 930	10 215 994			
Total Assets	\$26 255 890	\$28 023 927			
Liabilities					
Current Liabilities					
Outstanding cheques in excess of funds on deposit	\$ 637 461	\$ 833 074			
Accounts payable and accrued liabilities	5 832 130	5 934 901			
Total current liabilities	6 469 591	6 767 975			
Long Term Debt					
Unfunded pension liability (note 3)	7 894 130	7 696 139			
Equity of the Province of New Brunswick					
Balance at beginning of year	13 559 813	13 354 581			
Net income	82 369 814	81 355 294			
	95 929 627	94 709 875			
Payments to the Province of New Brunswick	84 037 458	81 150 062			
Balance at end of year	11 892 169	13 559 813			
Total Liabilities and Equity	\$26 255 890	\$28 023 927			
Commitments (note 4)					

See accompanying notes to financial statements

APPROVED BY THE BOARD:

Director Director

INCOME STATEMENT

Year ended March 31

i cai crided iviaion of			
	Budget	Actual	Actual
	1996	1996	1995
Total sales (note 5)	\$231 537 855	\$232 651 827	\$228 598 248
Less: commissions	2 050 000	2 120 423	1 584 491
Net sales	229 487 855	230 531 404	227 013 757
Cost of sales	122 051 000	122 969 723	119 916 656
Gross profit	107 436 855	107 561 681	107 097 101
Other income	696 370	818 147	780 183
	108 133 225	108 379 828	107 877 284
Operating expenses	24 958 612	24 888 487	25 416 550
Unfunded pension amortization	493 750	493 750	493 750
Unfunded pension interest	625 998	627 777	611 690
	26 078 360	26 010 014	26 521 990
Net income	\$ 82 054 865	\$ 82 369 814	\$ 81 355 294

See accompanying notes to financial statements

STATEMENT OF CHANGES IN CASH RESOURCES

Year ended March 31

	1996	1995
Cash from Operations		
Net income	\$ 82 369 814	\$ 81 355 294
Items not involving cash:		
Depreciation and amortization	1 411 919	1 392 147
Pension amortization	493 750	493 750
Loss (gain) on sale of property, plant, and equipment	98 353	(33 058)
Change in non-cash working capital	819 669	(1 471 080)
Increase in unfunded pension liability	197 991	199 937
Cash available from operations	85 391 496	81 936 990
Net Capital Investments		
Additions to property, plant, and equipment	(1 450 355)	(1 431 558)
Proceeds from sale of property, plant, and equipment	` 120 147 [´]	622 489
Net cash used for capital investments	(1 330 208)	(809 069)
Payments to the Province of New Brunswick	(84 037 458)	(81 150 062)
Increase (Decrease) in Cash	23 830	(22 141)
Cash at Beginning of Year	153 870	<u>176 011</u>
Cash at End of Year	\$ 177 700	\$ 153 870

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See accompanying notes to financial statements

Schedule of Sales

Year ended March 31

	Budget	Actual	Actual
	1996	1996	1995
Spirits Wine Other beverages Beer	\$ 63 832 557	\$ 62 429 105	\$ 62 881 320
	18 661 379	19 705 322	18 480 381
	3 232 421	3 459 964	3 167 767
	145 811 498	147 057 436	144 068 780
	\$ 231 537 855	\$ 232 651 827	\$ 228 598 248

Schedule of Cost of Sales

Year ended March 31

					Other		1996	1995
	5	Spirits	Wine	be	everages	Beer	Total	Total
Inventories at beginning of year	\$	5 342 816	\$ 2 723 899	\$	278 812	\$ 2 481 037	\$ 10 826 564	\$ 9 966 839
Purchases	1	11 638 210	7 722 129		1 785 753	86 852 066	107 998 158	106 646 518
Freight		496 024	560 814		67 376	63 492	1 187 706	1 222 056
Duty and sales tax	1	1 899 904	 589 749		16 883	 59 696	12 566 232	 12 907 807
	2	29 376 954	11 596 591		2 148 824	89 456 291	132 578 660	130 743 220
Inventories at end of year		4 067 420	 2 847 506		332 102	 2 361 909	 9 608 937	 10 826 564
	\$ 2	25 309 534	\$ 8 749 085	\$	1 816 722	\$ 87 094 382	\$ 122 969 723	\$ 119 916 656

Schedule of Other Income

Year ended March 31	Budget 1996	Actual 1996	Actual 1995
Merchandising programs	\$368 200	\$465 371	\$379 050
Private importation revenue	43 072	106 924	66 422
Commission on collection of			
Liquor Licensing Branch charges	87 000	89 417	88 976
Beer voucher administration fees	-	78 643	-
Claims for damage and breakage	34 000	70 284	38 093
Unredeemed beverage container deposits	42 348	48 214	49 962
Rentals	12 750	12 807	17 976
Subscriptions to sales reports	5 000	10 260	4 900
Handling charges on special events refunds	6 000	7 747	9 136
Gain (loss) on sale of property,			
plant, and equipment	86 000	(98 353)	33 058
Sundry	12 000	26 833	92 610
	\$696 370	\$818 147	\$780 183

Schedule of Operating Expenses

Year ended March 31

	Budget 1996	Actual 1996	Actual 1995
Salaries - stores, warehouse and maintenance	\$ 10 968 179	\$ 11 187 446	\$ 11 760 476
- administration	2 440 335	2 387 507	2 291 157
Employee benefits	2 637 360	2 438 273	2 612 715
Rent	2 927 668	2 872 120	2 923 649
Heat and light	879 100	903 457	889 968
Depreciation and amortization	1 456 000	1 411 919	1 392 147
Training programs	93 780	90 540	76 738
Trucking	274 200	271 949	277 625
Repairs to property, plant, and equipment	250 340	308 913	359 662
Taxes	499 000	483 043	507 793
Minor equipment and supplies	346 418	355 561	320 516
Security	263 139	260 087	232 230
Retail automation system maintenance	131 630	129 260	138 122
Travel	262 471	265 495	241 928
Beverage container redemption costs	123 683	131 617	117 867
Shopping bags	135 385	137 861	119 059
Data processing	271 210	259 778	256 630
Telecommunications	269 948	291 742	253 836
Motor vehicle operation	20 274	23 597	27 814
Cleaning	147 703	141 703	140 740
Shortages	55 200	47 535	43 038
Management meetings	35 430	27 512	31 277
Postage	45 154	50 474	48 069
Professional services	89 660	74 086	112 181
Bank charges	168 312	173 931	79 893
Warehouse maintenance and supplies	29 000	16 121	18 734
Insurance	11 800	11 788	11 769
Advertising and promotions	29 200	32 360	33 146
Directors' remuneration	38 060	37 430	37 333
Other	58 973	65 382	60 438
	\$ 24 958 612	\$ 24 888 487	\$ 25 416 550

NOTES TO FINANCIAL STATEMENTS

Year ended March 31, 1996

General

This Crown Corporation is incorporated under the New Brunswick Liquor Corporation Act and its sole business activity is the purchase, distribution and sale of alcoholic beverages throughout the Province of New Brunswick.

Summary of Significant Accounting Policies

Inventories

Inventories of goods for resale are valued at cost, which is lower than net realizable value. Inventory of supplies is valued at cost.

Deferred Pension Costs

Deferred pension costs are being amortized on a straight-line basis over sixteen years.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is provided on the straight-line basis using the following annual rates:

Paving	10%
Buildings	2 1/2%
Furniture, fixtures and equipment	20%
Automotive equipment	20%
Retail automation equipment	10%
Refrigeration equipment	10%

Leasehold improvements are amortized on the straight-line basis over the original lease term.

1. Inventories

	\$9 747 776	\$11 063 629
Supplies	138 839	237 065
Spirits, wine, other beverages and beer	\$9 608 937	\$10 826 564
	1996	1995

2. Property, Plant and Equipment

	Cost	Accumulated Depreciation	1996 Net	1995 Net
Land	\$ 279 968		\$ 279 968	\$ 278 418
Paving	445 369	\$ 354 419	90 950	134 566
Buildings	11 084 615	5 895 255	5 189 360	5 535 058
Leasehold improvements	3 364 074	2 370 110	993 964	949 412
Furniture, fixtures and equipment	5 129 966	4 485 971	643 995	590 470
Automotive equipment	138 955	98 724	40 231	38 700
Retail automation equipment	2 763 187	2 122 419	640 768	766 190
Refrigeration equipment	3 380 979	1 224 285	2 156 694	1 923 180
	\$26 587 113	\$16 551 183	\$10 035 930	\$ 10 215 994

Depreciation and amortization for the year is \$1 411 919; 1995 \$1 392 147. Net property, plant and equipment additions (disposals) for the year are \$763 666; 1995 \$(271 418).

3. Unfunded Pension Liability

The employees of the New Brunswick Liquor Corporation belong to the New Brunswick Public Service Superannuation Plan, a multi-employer, defined benefit pension plan.

Pursuant to a regulation under the Public Service Superannuation Act (NB), the New Brunswick Liquor Corporation will contribute, until such time as the benefits are fully funded, sufficient amounts into the pension trust fund to amortize \$7 900 000 of the unfunded pension liability. The amortization period is estimated to be twenty-five years. The unfunded pension liability, which bears interest at 8.16% per year, is payable in annual installments. The amount payable in 1997 is \$440 224 and increases each year at the rate of the Consumer Price Index plus 2%, maturing March 2016.

	1996	1995
Unfunded pension liability	\$ 7 894 130	\$ 7 696 139

Since the annual payment will be insufficient to pay the interest until 2005, the unfunded pension liability will increase in each of the next five years approximately as follows:

\$ 203 937
191 963
177 153
159 153
137 575
\$

An actuarial valuation of the Public Service Superannuation Plan as at April 1, 1992 was completed during the 1993-1994 fiscal year. This valuation identified an experience gain as a result of a reduction in accrued benefit obligations and an increase in pension asset values. The Corporation has not recorded any portion of the experience gain identified in this valuation.

Consultations to review the status of the pension liability under the Public Service Superannuation Plan are scheduled to be carried out during the 1996-1997 fiscal year.

4. Commitments

The Corporation leases buildings, premises and equipment under operating leases which expire at various dates between 1997 and 2006. Certain of these operating leases contain renewal options at the end of the initial lease term. The following is a schedule, by years, of future minimum lease payments required under operating leases that have, as of March 31, 1996, initial lease terms in excess of one year:

1997	\$ 2 595 576
1998	2 103 023
1999	1 785 257
2000	1 666 500
2001	1 395 182
2002 to 2006	3 170 393
	\$12 715 931

During the year, the Corporation signed a contract with Impletech International Incorporated to provide computer hardware, software and services for a new retail system in 1996-1997. At March 31, 1996, the Corporation had advanced progress payments of \$118 000 of the total contract commitment of \$2 900 000.

5. Total Sales

Total sales reported include sales to retail customers, licensed establishments, and agency stores. These amounts do not include subsequent resale by licensed establishments and agency stores.

6. Comparative Figures

Certain 1995 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1996.

FINANCIAL STATEMENTS

New Brunswick Municipal Finance Corporation

31 DECEMBER 1995

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

To the Board of Directors

New Brunswick Municipal Finance Corporation

I have audited the balance sheet of the New Brunswick Municipal Finance Corporation as at 31 December 1995 and the statements of income and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Corporation as at 31 December 1995 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 8 March 1996

NEW BRUNSWICK MUNICIPAL FINANCE CORPORATION BALANCE SHEET 31 DECEMBER 1995

ASSETS	1995	1994
Cash and short-term investments	\$ 647,272	\$ 631,529
Accrued interest receivable from municipalities	3,843,987	4,199,410
Loans to municipalities (Note 2)	<u>287,341,000</u>	275,837,000
	\$ 291,832,259	\$ 280,667,939
LIABILITIES AND RETAINED EARNINGS		
Accounts payable Accrued interest payable on debenture debt	\$ 3,000 3,843,987	\$ 20,000 4,199,410
Accounts payable	3,843,987 287,341,000	4,199,410 275,837,000
Accounts payable Accrued interest payable on debenture debt	3,843,987	4,199,410

Approved by the Board	
· · · · · · · · · · · · · · · · · · ·	Director
	Director

NEW BRUNSWICK MUNICIPAL FINANCE CORPORATION STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
REVENUE		
Interest from municipalities	\$ 25,436,457	\$ 25,754,320
Retained for debenture issue expenses	83,964	77,654
Investment income	46,562	29,268
	25,566,983	25,861,242
EXPENDITURE		
Interest on debentures	25,436,457	25,754,320
Other expenses	97,783	19,912
	25,534,240	25,774,232
NET INCOME FOR THE YEAR	32,743	87,010
Retained earnings, beginning of year	611,529	524,519
RETAINED EARNINGS, END OF YEAR	\$ 644,272	\$ 611,529

NEW BRUNSWICK MUNICIPAL FINANCE CORPORATION STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 1995

CASH PROVIDED BY (USED FOR):		1995		1994
, ,				
Operations:	_		_	
Net income for the year	\$	32,743	\$	87,010
Add (deduct)				
Funds retained for debenture issue expenses		(83,964)		(77,654)
Decrease (increase) in non-cash components of working capital		(17,000)		10,472
		(68,221)		19,828
Financing activities:				
Proceeds on sale of debentures	5	2,290,672	A	4.814.998
Principal paid on debenture debt		1,139,000)		1,248,000)
Tillopal paid on dependre debt		· · · · · · · · · · · · · · · · · · ·		
		1,151,672		3,566,998
Investing activities:				
Loans to municipalities	(5	2,206,708)	(4	4,737,344)
Principal repayments made by municipalities	4	1,139,000	4	1,248,000
	(1	1,067,708)	(3,489,344)
INCREASE IN CASH		15,743		97,482
Cash position, beginning of year		631,529		534,047
CASH POSITION, end of year	\$	647,272	\$	631,529

NEW BRUNSWICK MUNICIPAL FINANCE CORPORATION NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

1. Summary of significant accounting policies

The Corporation was established under the New Brunswick Municipal Finance Corporation Act which came into force on 1 February 1983. The purpose of the Corporation is to provide financing for municipalities and municipal enterprises through a central borrowing authority.

Loans to municipalities and debenture debt are recorded at par value. Any discount or premium arising on the issuance of debenture debt is transferred to the municipality, and accounted for in their financial statements.

2. Loans to municipalities

- (a) Loans to municipalities are made on the security of their debentures due in annual instalments for periods up to a maximum of fifteen years.
- (b) The terms of the loans to municipalities are identical to those on the debenture debt outstanding.

NEW BRUNSWICK MUNICIPAL FINANCE CORPORATION NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

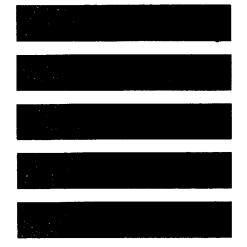
3. Debenture debt

(a) The following debenture debt outstanding at 31 December 1995 is in Canadian funds and is fully guaranteed by the Province of New Brunswick.

<u>Series</u>	Date of Issue	Maturity Date	Interest Rates	Original <u>Amount</u>	Outstanding
"A"	16 May 1983	16 May 1984 to 1998	10 3/4 to 12%	\$ 16,781,000	\$ 1,679,000
"B"	15 Dec. 1983	15 Dec. 1984 to 1998	9 3/4 to 12 1/4%	25,961,000	3,038,000
* "G"	27 Aug. 1986	27 Aug. 1987 to 1996	9 1/4 to 9 3/4%	14,783,000	1,569,000
"H"	01 Dec. 1986	01 Dec. 1987 to 2001	9 to 10 1/8%	18,610,000	4,220,000
" "	30 July 1987	30 July 1988 to 1997	9 to 9 3/4%	10,155,000	2,500,000
* "J"	22 Dec. 1987	22 Dec. 1988 to 1997	9 1/2 to 10 1/2%	19,860,000	4,468,000
"K"	22 June 1988	22 June 1989 to 1998	9 1/2 to 10 3/4%	13,183,000	5,395,000
* "L"	24 Nov. 1988	24 Nov. 1989 to 1998	10 1/4 to 10 1/2%	18,156,000	6,290,000
" M "	29 June 1989	29 June 1990 to 1999	10 1/4 to 10 7/8%	9,753,000	4,989,000
* "N"	23 Nov. 1989	23 Nov. 1990 to 1999	10 1/4 to 10 1/2%	36,948,000	17,474,000
* "O"	22 Aug. 1990	22 Aug. 1991 to 2000	11 1/2 to 12 3/4%	8,989,000	5,922,000
* "P"	11 Dec. 1990	11 Dec. 1991 to 2000	11 1/2 to 11 3/4%	29,344,000	17,924,000
* "Q"	27 June 1991	27 June 1992 to 2001	9 1/4 to 10 5/8%	17,947,000	12,412,000
"R"	16 Dec. 1991	16 Dec. 1992 to 2001	7 3/8 to 9 3/8%	35,221,000	22,428,000
"S"	14 July 1992	14 July 1993 to 2002	6 1/2 to 9%	24,076,000	18,047,000
"٣"	30 Dec. 1992	30 Dec. 1993 to 2002	7 1/2 to 8 7/8%	22,171,000	17,090,000
"∪"	29 July 1993	29 July 1994 to 2008	5 1/2 to 8 3/8%	34,442,000	27,904,000
"V"	23 Dec. 1993	23 Dec. 1994 to 2003	4 3/4 to 7 1/2%	23,856,000	20,055,000
* 'W'	09 Aug. 1994	09 Aug. 1995 to 2004	8 to 9 3/4%	30,860,000	28,114,000
* "X"	21 Dec. 1994	21 Dec. 1995 to 2004	7 1/4 to 9 1/2%	14,243,000	13,180,000
"Y"	07 June 1995	07 June 1996 to 2005	7 1/8 to 8 1/8%	13,611,000	13,611,000
* "Z"	20 Dec. 1995	20 Dec. 1996 to 2005	6 1/4 to 7 7/8%	39,032,000	39,032,000
				\$ 477,982,000	\$ 287,341,000

- * These debentures were sold directly to funds administered by the Province of New Brunswick.
- (b) Principal payments due in each of the next five years are:

1996	\$41,921,000
1997	\$40,802,000
1998	\$40,043,000
1999	\$38,090,000
2000	\$33,575,000



FINANCIAL STATEMENTS

THE NEW BRUNSWICK MUSEUM

March 31, 1996

AUDITORS' REPORT

To the Directors of
The New Brunswick Museum

We have audited the balance sheets of The New Brunswick Museum as at March 31, 1996 and the related statements of financial operations and fund balances for the year then ended. These financial statements are the responsibility of the Museum's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Museum as at March 31, 1996 and the results of its operations and the changes in fund balances for the year then ended in accordance with generally accepted accounting principles.

Saint John, Canada, June 6, 1996.

Chartered Accountants

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The New Brunswick Museum

OPERATING FUND BALANCE SHEET

As at March 31

	1996 \$	1995 \$
ASSETS		
Cash	4,452	124,461
Short-term investments [note 2]	950,162	1,093,854
Accounts receivable	102,225	138,265
Inventory	39,851	25,808
Due from the New Brunswick Museum Foundation	269,907	_
Due from Endowment Fund	17,577	_
	1,384,174	1,382,388
Property, equipment and accessions	2	2
	1,384,176	1,382,390
LIABILITIES AND FUND BALANCES		
Due to Endowment Fund		3,563
Accounts payable and accrued liabilities	328,668	178,689
Due to Province of New Brunswick	752,297	665,000
	1,080,965	847,252
Fund balances		
General operations	10,908	9,367
Market Square [note 8]	(90,123)	_
Restricted activities [note 4]	382,426	525,771
	303,211	535,138
	1,384,176	1,382,390

See accompanying notes

On behalf of the Board:

Director

Director

OPERATING FUND STATEMENT OF FINANCIAL OPERATIONS AND FUND BALANCES

Year ended March 31

	General operations S	Market Square \$	Restricted activities \$	1996 \$	1995 \$
Revenue					
Grants					
Provincial	1,429,140		39,402	1,468,542	1,425,586
Federal		700,000	92,448	792,448	304,577
Municipal	23,400		-	23,400	44,750
Investment income	24,960	-	45,000	69,960	71,765
Endowment fund	19,045	_	52,200	71,245	16,215
Museum services [note 5]	13,014		2,693	15,707	11,011
Donations	1,775	483,228	78,700	563,703	76,380
Contribution to restricted projects	(50,504)	200,000	(149,496)	_	_
	1,460,830	1,383,228	160,947	3,005,005	1,950,284
Expenditures					
Salaries and benefits	1,118,493	257,252	134,491	1,510,236	1,360,127
Materials, supplies and services	299,094	397,556	117,192	813,842	465,356
Capital Cost		498,324		498,324	.05,550
Equipment and acquisitions	41,702	320,219	52,609	414,530	110,569
	1,459,289	1,473,351	304,292	3,236,932	1,936,052
Excess (deficiency) of revenues					
over expenditures	1,541	(90,123)	(143,345)	(231,927)	14,232
Fund balance, beginning of year	9,367		`525,771 [°]	535,138	583,388
Fund balance before transfer	10,908	(90,123)	382,426	303,211	597,620
Transfer to Endowment Fund [note 6]		_	——	-	62,482
Fund balance, end of year	10,908	(90,123)	382,426	303,211	535,138

See accompanying notes

ENDOWMENT FUND BALANCE SHEET

As at March 31

	1996	1995
ASSETS		
Cash	1,697	4,308
Due from Operating Fund		3,563
Accounts receivable	8,187	6,871
Investments [note 3]	472,531	463,078
	482,415	477,820
LIABILITIES AND FUND BALANCES		
Due to Operating Fund	17,577	
Fund balances	464,838	477,820
	482,415	477,820

See accompanying notes

On behalf of the Board:

Director

Director

ENDOWMENT FUND STATEMENT OF FINANCIAL OPERATIONS AND FUND BALANCE

Year ended March 31

	1996 \$	1995 \$
Revenue		
Investment income	41,833	45,662
Donations	1,924	18,088
	43,757	63,750
Expenses		
Acquisitions	35,444	432
Scholarships	2,250	2,250
	37,694	2,682
Net surplus	6,063	61,068
Fund balance, beginning of year	477,820	370,485
Fund balance before transfers	483,883	431,553
Transfer to Operating Fund - General Operations	(19,045)	(16,215)
Transfer from Operating Fund - Restricted Activities [note 6]		62,482
Fund balance, end of year	464,838	477,820

See accompanying notes

The Endowment Fund consists of the following:

The Courtney Fund
The Alice Lusk Webster Fund
The Patterson Fund
Christie Trust
Matthew Trust
General Endowment Funds

NOTES TO FINANCIAL STATEMENTS

March 31, 1996

The New Brunswick Museum is incorporated under the laws of the Province of New Brunswick to preserve and present the natural and human history of New Brunswick and of other related regions. To this end, the Museum collects, preserves, researches and interprets objects which tell the story of New Brunswick, and develops exhibits and public programs on these and related topics for the education and enjoyment of the public. This is done in a manner which fully represents the province's two linguistic and cultural communities, aboriginal peoples and other cultural groups.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with generally accepted accounting principles, the more significant of which are outlined below.

(a) Financial statement presentation

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Museum, the accounts of the Museum are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into separate funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors or various funding authorities. Transfers between funds are made when it is considered appropriate and authorized by the Board of Directors. For financial reporting purposes, the accounts have been classified into the following two groupings:

Operating Fund

This fund reflects the day-to-day operating transactions of the Museum. It also includes amounts received by the Museum designated by the Directors or Museum management to be restricted to certain expenditures of an operating nature. Such restricted activities include the following:

Market Square Project — The Market Square expansion is a significant project which will take place over a period of two years. Because of the significant size of the project, the operations have been accounted for separately.

Grants — Amounts received from various governments and private agencies to finance specific projects.

Bequests and donations — Amounts received from sources which place specific restrictions on their use.

NOTES TO FINANCIAL STATEMENTS

March 31, 1996

1. SIGNIFICANT ACCOUNTING POLICIES [Continued]

Project reserves — Amounts restricted by management for exhibitions and gallery upgrades. This also includes funds received from activities of the staff in the curatorial departments to assist in financing specific project expenditures.

Department of Canadian Heritage — Amounts received from the Federal Museum's Assistance Program to finance activities which increase public accessibility. This includes special event programs, education programs, and advisory services.

Webster Foundation — Contributions from the Webster Foundation are applied toward acquisitions and the general operations of certain projects.

Endowment Fund

This includes amounts reserved for the long-term benefit of the Museum. Investment income earned on certain endowment funds is unrestricted and accordingly is transferred to the operating fund.

(b) Investments

Investments purchased by the Museum are valued at cost, and investments donated to the Museum are valued at fair market value at the date of receipt. Investment income is recognized as earned.

(c) Inventory

Inventory [consisting of publications and items held for resale] is valued at the lower of cost and net realizable value determined on a first-in, first-out basis and includes publications. Government grants received for the publishing of certain books are applied against the publishing costs.

(d) Property, equipment and accessions

Property, equipment and accessions acquired by the Museum are carried on the balance sheet at a nominal value. Items purchased by the Museum are expensed in the year of acquisition.

(e) Government and private grants

Government and private grants for current operations and capital acquisitions are recognized as revenue in the year of receipt.

NOTES TO FINANCIAL STATEMENTS

March 31, 1996

2. SHORT-TERM INVESTMENTS

The short-term investments included in the Operating Fund are comprised of the following:

	1996		j	1995	
	Cost \$	Market Value S	Cost \$	Market Value S	
Treasury bills	893,050	893,050	1,013,700	1,013,700	
GIC's	57,112	57,112	69,113	69,113	
Bonds		· —	11,041	11,478	
	950,162	950,162	1,093,854	1,094,291	

3. INVESTMENTS

The investments included in the Endowment Fund are comprised of the following:

	1996		1	1995	
		Market		Market	
	Cost \$	Value S	Cost \$	Value \$	
GIC's	169,583	170,858	228,100	227,765	
Bonds	276,923	288,946	208,953	202,932	
Equity	26,025	229,688	26,025	201,563	
	472,531	689,492	463,078	632,260	

4. RESTRICTED FUNDS

For projects underway at year-end, excess funds or over expenditures are contained in the restricted fund balance. Any residual surplus or deficit on completed projects is transferred to the operating fund as income or expense of the period. Typically, these amounts are nominal.

NOTES TO FINANCIAL STATEMENTS

March 31, 1996

4. RESTRICTED FUNDS [Continued]

A summary of the changes in the various restricted fund balances for fiscal 1996 is as follows:

	Balance, beginning of year \$	Revenue \$	Expenditures \$	Balance, end of year
Grants	171,333	71,850	84,613	158,570
Bequests and donations	188,538	78,700	32,872	234,366
Projects	157,614	47,693	74,607	130,700
Webster Foundation	8,286	52,200	52,200	8,286
Department of Canadian Heritage	· _	60,000	60,000	·
	525,771	310,443	304,292	531,922
Less Contribution to restricted projects		(149,496)	<u> </u>	(149,496)
Total Restricted Funds	525,771	160,947	304,292	382,426

5. MUSEUM SERVICES

Museum Services consist of revenue from general operations, including the Gift Shop, membership, and admissions. Gift Shop revenue is included on a net basis since the revenue and expenditures are directly related. The total revenues and expenditures are as follows:

	1996 \$	1995 \$
Revenue	155,915	82,618
Expenditures	140,208	71,607
	15,707	11,011

6. TRANSFER TO ENDOWMENT FUND

During the year ended March 31, 1995, an amount of \$62,482 was transferred to the Endowment Fund from the Operating Fund. The transfer consisted of the balance for the Alice Lusk Webster Fund [\$16,888], the Courtney Fund [\$11,627], the Christie Toust [\$12,029] and the Matthew Trust [\$21,938]. These funds were previously included in bequests and donations in the Restricted Fund.

NOTES TO FINANCIAL STATEMENTS

March 31, 1996

7. INCOME TAXES

The Museum is registered as a charitable organization under the Income Tax Act (Canada) ["the Act"] and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Museum must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

8. MUSEUM EXPANSION

The Museum has contractual commitments from the Government of Canada, the Province of New Brunswick and the City of Saint John for assistance sufficient to allow for an expansion of the Museum's public operations, primarily at the Market Square complex in Saint John. The project was completed, as planned, April 27, 1996.

During the year, the Museum proceeded to enhance the project primarily in the exhibit galleries with a commitment of \$1,800,000. The New Brunswick Museum Foundation has undertaken to fund this project through a capital campaign. As at May 31, 1996 there were committed pledges of \$1,836,000 with pledges received of \$918,000.

9. FINANCING

On March 14, 1996, a five year term loan facility of \$1,300,000 was established with a chartered bank at a rate of 7.8% to fund the Market Square project. As of March 31, 1996, no financing had been received. The actual project financing commenced subsequent to year end. The loan will be repaid from the proceeds of pledges to the New Brunswick Museum Foundation capital campaign as they are received.

10. COMPARATIVE AMOUNTS

Certain of the comparative amounts have been reclassified to conform with the current year presentation.

OPERATING FUND SCHEDULE OF GENERAL OPERATIONS

Year ended March 31

	1996	1995 \$
Revenue		
Grants		
Provincial	1,429,140	1,419,561
Municipal	23,400	23,850
Investment income	24,960	25,538
Endowment fund	19,045	16,215
Museum services [note 5]	13,014	11,011
Donations	1,775	1,815
Contribution to restricted projects	(50,504)	(82,749)
	1,460,830	1,415,241
Expenditures		
Salaries and benefits	1,118,493	1,057,707
Materials, supplies and services	299,094	303,966
Equipment and acquisitions	41,702	51,723
	1,459,289	1,413,396
Excess of revenues over expenditures	1,541	1,845
Fund balance, beginning of year	9,367	7,522
		9,367
Fund balance, end of year	10,908	7,307

FINANCIAL STATEMENTS NEW BRUNSWICK POWER CORPORATION 31 MARCH 1996

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1996

AUDITORS' REPORT

THE HONOURABLE FRANK MCKENNA Premier of the Province of New Brunswick Fredericton, New Brunswick

Sir:

We have audited the consolidated balance sheet of New Brunswick Power Corporation as at March 31, 1996 and the consolidated statements of income, earnings invested in the business, and changes in financial position for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

Chartered Accountants Fredericton, New Brunswick May 13, 1996

CONSOLIDATED STATEMENT OF INCOME

year ended March 31, 1996 (in thousands of dollars)

	1996	1995
REVENUE		
Sales of power		
In-province	S 801,489	\$ 751,078
Out-of-province (Note 10)	186,888	164,073
Miscellaneous	29,688	27,178
	1,018,065	942,329
EXPENDITURE		
Purchased power	149,225	86,076
Fuel	208,119	150,628
Operations, maintenance, and administration	272,638	271,040
Early retirement programs	10,968	3,136
Depreciation (Note 11)	118,265	160,136
	759,215	671,016
Income before finance charges	258,850	271,313
Finance charges (Note 12)	299,922	332,828
Loss before the following	41,072	61,515
Transfer from generation equalization account	49,297	82,162
Transfer from export sales stabilization account		5,095
	49,297	87,257
NET INCOME FOR THE YEAR	S 8,225	\$ 25,742

CONSOLIDATED STATEMENT OF EARNINGS INVESTED IN THE BUSINESS

year ended March 31, 1996 (in thousands of dollars)

	1996		1995
Balance, beginning of year Net income for the year	8 457,716 8,225		431,974 25,742
Balance, end of year	S 465.941	\$	457,716

CONSOLIDATED BALANCE SHEET

as at March 31, 1996 (in thousands of dollars)

	1996	1995
PROPERTY, PLANT AND EQUIPMENT (Note 3)		
Land, buildings, plant and equipment, at cost	S 5,490,287	\$ 5,074,424
Accumulated depreciation	(1,602,590)	(1,457,648)
Construction-in-progress	38,797	282,723
	3.926,494	3,899,499
LONG-TERM ASSETS		
Conservation and electrical improvement loans	4.723	4,887
CURRENT ASSETS		
Cash and short-term investments	35,464	1.839
Accounts receivable	157,325	139,302
Material, supplies and fuel	109,395	113,392
Prepaid expenses	5,838	5,055
	308,022	259,588
DEFERRED CHARGES		
Unrealized foreign exchange differences,		
less amounts amortized (Note 4)	95,312	134,620
Debenture and note discount and issue		
expenses, less amounts amortized	37,230	35,973
Other deferred charges (Note 2)	4.724	9,536
	137,266	180,129
	S 4.376.505	\$ 4,344,103

on behalf of New Brunswick Power Corporation

Dr. Frank Wilson Chairman

Gary D. Long, PhD Director

CONSOLIDATED BALANCE SHEET

as at March 31, 1996 (in thousands of dollars)

	1996	1995
LONG-TERM DEBT (Note 5)		
Debentures and other loans	S 3.175,596	\$ 3,058,876
CURRENT LIABILITIES		
Short-term indebtedness (Note 6)	129,370	199,555
Accounts payable and accruals	97.846	78,881
Accrued interest	94.666	92,918
Current portion of long-term debt	126,618	103,845
Holdbacks on contracts in progress	2,623	16,204
	451.123	491,403
DEFERRED LIABILITIES		
Generation equalization account (Note 2)	32,865	82,162
Irradiated fuel management and plant decommissioning (Note 7)	159.195	149,733
Fuel channel removal (Note 8)	65,835	82,795
Other (Note 9)	25,950	21,418
	283,845	336,108
EQUITY		
Earnings invested in the business	465,941	457,716
	S 4,376,505	\$ 4,344,103

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

year ended March 31, 1996 (in thousands of dollars)

1996	1995
S 8,225	\$ 25,742
THE RESERVE THE PROPERTY OF TH	118,294
120,118	144,036
(159,041)	(181,896)
320,135	98,734
161,094	(83,162)
(166.559)	(162,342)
(100,000)	(104,014)
3,106	2,247
(163,453)	(160,095)
(13,949)	(29,221)
103.810	(128,442)
(197,716)	(69,274)
S (93,906)	\$ (197,716)
\$ 35.464	\$ 1,839
The state of the s	(199,555)
(123,310)	(199,333)
S (93,906)	\$ (197,716)
	S 8,225 111,893 120,118 (159,041) 320,135 161,094 (166,559) 3,106 (163,453) (13,949) 103,810 (197,716) S (93,906) S 35,464 (129,370)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

year ended March 31, 1996 (tabular amounts only are in thousands of dollars)

1. ACCOUNTING POLICIES

The financial statements have been prepared in conformity with generally accepted accounting principles as established in Canada and give effect to the rate-setting process. The financial statements include the accounts of the Corporation and those of its wholly owned subsidiary, N.B. Coal Limited.

A. Regulation

Changes in the Corporation's charges, rates and tolls for services provided in the province from 1990 to 1993 were subject to approval by the Board of Commissioners of Public Utilities of the Province of New Brunswick (Public Utilities Board). In December 1993, the Government announced that the Corporation would thereafter be regulated under a price cap system of regulation. Annual average rate changes after December 1993 amounting to less than 3.0% or the Consumer Price Index, whichever is higher, will no longer require regulatory review and approval.

B. Property, plant and equipment

The cost of additions to property, plant and equipment is the original cost of contracted services, direct labour and material, interest on funds used during construction and indirect charges for administration and other expenses, less credits for the value of power generated during commissioning. Administration and other expenses are capitalized during construction by applying a portion of such overheads to direct construction costs incurred each month. Certain training costs associated with the development of new facilities and costs of major maintenance activities which occur infrequently over the lives of related assets are also capitalized.

Interest during construction is capitalized monthly based on the cost of the long-term borrowings. When assets are taken out of service for extended periods of time for refurbishment, interest during construction is charged based on the net book value of the asset concerned.

Costs incurred for conservation and energy management, including interest capitalized on programs with long-term benefits, are included as a separate category of property, plant and equipment.

Contributions in aid of construction include amounts received from customers as well as research and development grants in respect of new facilities and are netted against the cost of plant financed thereby. Amounts received from customers are being amortized over the estimated service lives of the related assets, and the resulting credit is offset against the corresponding provision for depreciation.

The cost of distribution assets retired is charged to accumulated depreciation. The cost of dismantlement, net of salvage, for distribution assets, is charged to operations. For all other property, plant and equipment disposed of, the cost and accumulated depreciation is written out of the accounts with the gain or loss on disposal being charged to operations.

Depreciation is provided for all assets sufficient to amortize the cost of such assets, less estimated salvage value where applicable, over their estimated service lives. Depreciation is suspended when assets are taken out of service for extended periods of time for refurbishment. The nuclear generating station is depreciated using an escalating charge method with annual increases based on a 3% factor. Depreciation is provided on certain mining equipment on an increasing charge basis, the depreciation amount being based on the amount of related debt retirement required during the year. All other assets are depreciated on a straight-line basis. Depreciation is provided on the net cost of property, plant and equipment in respect of which grants have been provided.

The main categories of property, plant and equipment have estimated service lives as follows:

ASSETS	YEARS
Hydro Generating Stations	100
Thermal Generating Stations	35
Nuclear Generating Station	31
Combustion Turbine Generating Stations	25
Terminals and Substations	40
Transmission System	35 to 55
Distribution System	10 to 35
Buildings	
- General	40
- Head Office	50
Mining Equipment	20 to 25

Each asset category includes components which are depreciated over service lives shorter than their related main asset categories.

C. Inventories

Inventories of materials and supplies, oil and coal are valued at average cost. Nuclear fuel is valued at cost using the first-in, first-out method. Coal inventory includes the costs of direct labour and overheads.

D. Debenture and note discounts and premiums, and issue expenses

The Corporation amortizes debenture and note discounts and premiums and the expenses of issues over the lives of the issues to which they pertain.

E. Foreign exchange transactions

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at rates of exchange prevailing at the balance sheet date except where such items have been hedged by the acquisition of a forward exchange contract, in which case the rate established by the terms of the contract is used in the translation. Unrealized losses or gains arising on translation of long-term items are amortized to income on a straight-line basis over the remaining life of the related monetary assets or liabilities, except that amounts associated with the financing of major construction projects still in progress are deferred until the project is completed before being amortized over the then remaining life of the related monetary liabilities. The unamortized balance of the deferred exchange gains or losses is accumulated in an unrealized foreign exchange account which is shown on the balance sheet under deferred charges.

Exchange gains or losses resulting from transactions affecting current operations are reflected in income as realized.

F. Revenue

Billings to residential and general service customers are rendered monthly on a cyclical basis. All other customers are billed at the end of each month. Revenue in respect of items not billed at the end of a fiscal period is estimated and accrued.

G. Irradiated fuel management and plant decommissioning

In order to provide for the estimated future costs of permanently disposing of irradiated nuclear fuel and decommissioning the nuclear generating station to return the site to a state of unrestricted use, the Corporation annually charges income with amounts calculated to be adequate, when accumulated with interest, to cover the total costs of these future activities as they occur. The calculations of the anticipated future costs are based on a detailed study which takes into account various assumptions regarding the method and timing of dismantlement of the nuclear facility, the cost of transportation of nuclear material to permanent disposal facilities, and estimates of interest and inflation rates in the future. With respect to irradiated nuclear fuel, the annual charge is related to the amount of nuclear fuel consumed in each year while decommissioning requirements are charged on a straight-line basis over the life of the station.

Commencing in the year ended March 31, 1996, the Corporation is also providing through an annual charge to income for the estimated future costs of decommissioning its thermal generating stations. The amount of the charge, when accumulated with interest, is intended to cover the total costs of decommissioning activities as they occur.

Amounts charged each year to cover these activities are accumulated in a deferred liability account, together with interest, compounded annually, on the total amounts collected. Interest is calculated at the Corporation's long-term borrowing rate and is charged to income annually.

Costs incurred on a current basis relating to irradiated fuel management and plant decommissioning are charged directly against the deferred liability account.

In view of potential developments in the technology of decommissioning and irradiated fuel management, and because of the various assumptions and estimates inherent in the calculations, the Corporation reviews such calculations periodically, making adjustments as necessary on a prospective basis.

H. Pension plans

Corporation employees belong to the Province of New Brunswick Public Service Superannuation Plan. This multi-employer plan provides pensions based on length of service and the average of the highest five consecutive years of earnings. The Corporation and its employees make contributions to the plan as prescribed in the Public Service Superannuation Act and its regulations. The Corporation's contributions, which are charged to income annually, comprise amounts for current service and payments to fund the Corporation's share of the Province's unfunded liability. These latter amounts were determined by the Province on March 31, 1991, based on an actuarial evaluation carried out as at March 31, 1989. These payments were estimated, when accumulated with interest at a rate specified by the Province, to fund the unfunded pension obligation over a 25-year period.

N.B. Coal maintains a contributory defined benefit pension plan for its employees. Pension costs are actuarially determined each year using the projected benefit method pro-rated on service and management's best estimate assumptions. Adjustments arising from plan amendments, experience gains and losses, changes in actuarial assumptions and the difference between the actuarial present value of accrued pension obligations and the market related value of pension assets are amortized on a straight-line basis over the expected average remaining service lives of the respective employee group.

I. Early retirement programs

The total cost of such programs is charged to income in the year the program is initiated, irrespective of when payments are actually made.

2. CHANGES IN ACCOUNTING POLICIES

A. Valuation of inventories

Commencing April 1, 1995, the Corporation changed the method of valuation of oil and coal inventory from the first-in, first-out method to the average cost method. This change was made on a prospective basis in order that the change in method could be reflected in future power rates. The change has resulted in a decrease in the year end value of oil and coal inventory amounting to \$1,283,000 and a corresponding increase in the cost of fuel consumed during the year.

B. Year ended March 31, 1995

Effective April 1, 1994, the Corporation changed certain of its accounting policies on a prospective basis. The change is being implemented over a three-year period with respect to the following accounts:

GENERATION EQUALIZATION ADJUSTMENT

The balance in the generation equalization account as at March 31, 1994 is being credited to income over three fiscal years, 50% in the year ended March 31, 1995, 30% in the year ended March 31, 1996, amounting to \$49,297,000 and 20% in the year ending March 31, 1997.

DEFERRED CHARGES

The category of other deferred charges is being eliminated from the balance sheet over a three-year period, which commenced April 1, 1994.

3. PROPERTY, PLANT AND EQUIPMENT

		1996			1995	
	Cost	Accumulated depreciation	Construction in-progress	Cost	Accumulated depreciation	Construction in-progress
0 0 1,	4,018,851	\$ 1,069,875	\$ 31,496	\$ 3,662,447	\$ 955,902	\$ 268,502
Transmission system Substations	246,924 373,270	91,956 144,408	2,574 1,188	245,909	87,113	1,845
Distribution system	596,810	200,138	2,652	347,190 567,769	132,219 187,018	1,216 4,540
Other properties	57,119	19,006	49	56,982	16,072	7
Communications equipment	15,983	6,514	18	15,388	5,660	64
Mining equipment and related assets	74,064	35,007	-	74,230	34,038	-
Motor vehicles and						
miscellaneous equipment	75,025	42,021	731	71,306	46,424	6,549
Conservation and energy management	4,456		89	4,113	324	-
	5,462,502	1,608,925	38,797	5,045,334	1,464,770	282,723
Less: Contributions in aid						
of construction	24,680	8,650	_	23,375	7,894	_
Add: Capital related charges deferred				,	,	
on plant in service	52,465	2,315	-	52,465	772	-
TOTAL	5,490,287	\$ 1,602,590	\$ 38,797	\$ 5,074,424	\$ 1,457,648	\$ 282,723

(1) Cost is net of research and development grants amounting to \$36,500,000 (1995 - \$72,000,000).

Since the Chatham generating station has been taken out of service, the cost, accumulated depreciation and research and development grants were removed from the accounts during the year ended March 31, 1996. The net investment in the plant was fully depreciated.

Common costs associated with the construction of a potential second unit at Belledune, amounting to \$23,959,000, have been retained in construction-in-progress pending a decision on construction of a second unit.

The cost of power generating stations has been increased by \$57,048,000 representing interest during construction charged on the net book value of the Point Lepreau plant during the period when it was taken out of service for the SLAR (Spacer Location and Repositioning) process. Depreciation charges for the year for the plant are lower by \$30,907,000, representing depreciation suspended during the year as a result of the plant being unavailable for use.

4. UNREALIZED FOREIGN EXCHANGE DIFFERENCES, LESS AMOUNTS AMORTIZED

	1996	1995
Exchange adjustment at balance sheet date		
On debentures and notes issued by the Corporation	\$ 4,022	\$ 6,704
On other debentures issued	123,859	163,384
	127,881	170,088
Less: Accumulated amortization	32,569	35,468
	\$ 95,312	\$ 134,620

5. LONG-TERM DEBT

Debentures held by the Province of New Brunswick Other long-term debt - not guaranteed							1996		1995
Debentures held by the Province of New Brunswick	Guaranteed by the Province of New Brunswick					\$	311,133	\$	331.563
Other long-term debt - not guaranteed 5.373 5.592 5.373 5.5278 Less: Payments due within one year \$ 3,105,596 \$ 3,058,876 DEBENTURES AND NOTES Date of maturity Canadian U.S. Years ending: March 31, 1996 \$ - \$ - \$ 1.000 \$ 156,403 March 31, 1997 126,100 17,040 143,140 143,587 March 31, 1999 25,000 62,707 87,707 89,354 March 31, 2001 132,884 - 132,884 182,884 March 31, 2001 251,000 - 27,747 714,731 692,228 4-10 Years 634,984 79,747 714,731 692,228 6-10 Years 634,984 79,747 714,731 692,228 6-10 Years 634,984 79,747 714,731 692,228 6-10 Years 655,984 979,460* 3,639,444 3,600,568 Sinking funds 363,448 466,694 Wears 2,759,996 3,133,874 <	Debentures held by the Province of New Brunswick						-	"	
Less: Payments due within one year 13.08,214 13.08,721 126,618 103,845 103	Other long-term debt - not guaranteed								5,592
S 3,175,596 \$ 3,058,876	T. D 1								3,162,721
DEBENTURES AND NOTES Date of maturity Canadian U.S.	Less: Payments due within one year					4			
Date of maturity Canadian U.S. Years ending: ************************************						₽	3,175,596	D	3,058,876
Years ending: March 31, 1996 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	DEBENTURES AND NOTES								
March 31, 1996 \$ - \$ - \$ - \$ 156,403 March 31, 1997 126,100 17,040 143,140 143,587 March 31, 1999 100,000 - 100,000 120,000 March 31, 1999 25,000 62,707 87,707 89,354 March 31, 2000 132,884 - 132,884 182,884 March 31, 2001 251,000 - 251,000 - 1-5 Years 634,984 79,747 714,731 692,228 610 Years 1,350,000 163,584 1,513,584 1,502,800 11-30 Years 675,000 736,129 1,411,129 1,405,460 Debentures and notes \$ 2,659,984 \$ 979,460* 3,639,444 3,600,568 Sinking funds 363,448 466,694 U.S. \$ 718,500,000 3,275,996 3,133,874 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. 20,846 23,255 Government of Canada - payable in equal annual instalments of principal and interest at rates varyin	Date of maturity		Canadian		U.S.				
March 31, 1996 \$ - \$ - \$ - \$ 156,403 March 31, 1997 126,100 17,040 143,140 143,587 March 31, 1999 100,000 - 100,000 120,000 March 31, 1999 25,000 62,707 87,707 89,354 March 31, 2000 132,884 - 132,884 182,884 March 31, 2001 251,000 - 251,000 - 1-5 Years 634,984 79,747 714,731 692,228 610 Years 1,350,000 163,584 1,513,584 1,502,800 11-30 Years 675,000 736,129 1,411,129 1,405,460 Debentures and notes \$ 2,659,984 \$ 979,460* 3,639,444 3,600,568 Sinking funds 363,448 466,694 U.S. \$ 718,500,000 3,275,996 3,133,874 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. 20,846 23,255 Government of Canada - payable in equal annual instalments of principal and interest at rates varyin	Years ending:								
March 31, 1997		¢		•		•		æ	156 409
March 31, 1998		Ψ	196 100	49	17.040	Ф	149 140	Ф	
March 31, 1999			•		17,040				
March 31, 2000									
March 31, 2001 251,000 - 251,00					62,707				
1.5 Years 634,984 79,747 714,731 692,228 6-10 Years 1,350,000 163,584 1,513,584 1,502,880 11-30 Years 1,350,000 736,129 1,411,129 1,405,460 Debentures and notes \$ 2,659,984 \$ 979,460* 3,639,444 3,600,568 Sinking funds 363,448 466,694 3,275,996 3,133,874 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. 20,846 23,255 Government of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. 5,123 5,278 Obligations under capital lease 249 314	•		-		-				182,884
6-10 Years 1,350,000 163,584 1,513,584 1,502,880 11-30 Years 675,000 736,129 1,411,129 1,405,460 Debentures and notes \$ 2,659,984 \$ 979,460* 3,639,444 3,600,568 Sinking funds 363,448 466,694 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. Covernment of Canada - payable in equal annual instalments of principal and interest at rates varying from 91/4% to 9 5/8% per annum to the year 2011. Obligations under capital lease 249 314	March 31, 2001		251,000		-		251,000		-
1,350,000 163,584 1,513,584 1,502,880 11-30 Years 1,350,000 736,129 1,411,129 1,405,460 Debentures and notes \$ 2,659,984 \$ 979,460* 3,639,444 3,600,568 Sinking funds 363,448 466,694 3,275,996 3,133,874 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. Covernment of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. Solution of the payable of the year 2011. Solution	1-5 Years		634,984		79,747		714.731		692,228
11-30 Years 675,000 736,129 1,411,129 1,405,460 Debentures and notes \$ 2,659,984 \$ 979,460* 3,639,444 3,600,568 Sinking funds 363,448 466,694 3,275,996 3,133,874 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. Covernment of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. Obligations under capital lease 249 314	6-10 Years				•				•
Sinking funds 363,448 466,694 3,275,996 3,133,874 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. 20,846 23,255 Government of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. 5,123 5,278 Obligations under capital lease	11-30 Years								1,405,460
3,275,996 3,133,874 U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. Covernment of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. Obligations under capital lease 249 314	Debentures and notes	\$	2,659,984	\$	979,460*		3,639,444		3,600,568
U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. Covernment of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. Obligations under capital lease 249 314	Sinking funds						363,448		466,694
U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outstanding at March 31, 1996 is 9.1% (1995 - 9.2%). Northern Canada Power Commission - loans repayable in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. Covernment of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. Obligations under capital lease 249 314				-			9 975 006	•	9 199 074
in annual instalments of principal and interest at rates varying from 4 1/2% to 8 1/2% per annum to the year 2011. Covernment of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. Obligations under capital lease 20,846 23,255 249 314	U.S. \$ 718,500,000 The weighted average interest rate on debentures and notes outsta	nding	g at March 3	1, 19	96 is 9.1% ((199			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Government of Canada - payable in equal annual instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. 5,123 5,278 Obligations under capital lease 249 314		· · · · · · · ·					90 846		92 955
instalments of principal and interest at rates varying from 9 1/4% to 9 5/8% per annum to the year 2011. 5,123 5,278 Obligations under capital lease 249 314							40,010		40,400
from 9 1/4% to 9 5/8% per annum to the year 2011. 5,123 5,278 Obligations under capital lease 249 314	Government of Canada - payable in equal annual								
Obligations under capital lease 249 314									
	from 9 1/4% to 9 5/8% per annum to the year 2011.						5,123		5,278
Total long-term debt \$ 3,302.214 \$ 3.162.721	Obligations under capital lease		····		****		249		314
	Total long-term debt					\$	3,302.214	\$	3,162.721

LONG-TERM DEBT PAYMENTS

Long-term debt maturities (after deducting sinking funds estimated to be available at maturity inclusive of actual earnings to March 31, 1996 and future earnings calculated at projected interest rates) and sinking fund requirements,

and minimum lease payments, in respect of debt outstanding at March 31, 1996 are as follows for the five years ending March 31, 2001, using exchange rates in effect at March 31, 1996 for debt denominated in foreign currencies:

	Debt matt sinking fund o		Minimu pa	m lease syments
Year ending March 31, 1997	\$	126,551	\$	86
Year ending March 31, 1998		133,795		85
Year ending March 31, 1999		80,962		85
Year ending March 31, 2000		103,213		28
Year ending March 31, 2001		235,157		-
Total minimum lease payments				284
Less: Amount representing implicit interest				35
			\$	249

SINKING FUNDS

The Minister of Finance of the Province of New Brunswick, as Trustee for the Corporation, maintains a sinking fund for all debenture issues requiring same. Sinking fund earnings are reflected in the Corporation's income. Corporation debentures held in the fund are not cancelled until maturity.

6. SHORT-TERM INDEBTEDNESS

Short-term borrowings from banks are payable on demand and are reflected on the balance sheet together with outstanding cheques, under the caption "Short-term indebtedness." The Corporation has bank lines of credit, guaranteed by the Province of New Brunswick, for short-term borrowings totalling \$120,000,000. In addition, the Corporation borrows funds for temporary purposes from other sources, including the Province of New Brunswick, from time to time.

GUARANTEE FEE

The Corporation pays an annual guarantee fee to the Province of New Brunswick, amounting to 0.6489% of the total, as at the previous year end, of long-term debt guaranteed by the Province, debentures held by the Province and short-term indebtedness to the Province, less the balance held in sinking funds.

N.B. Coal has bank lines of credit which are secured by a general assignment of book debts and a chattel mortgage on certain assets.

The total of all short-term borrowings, of which \$120,612,000 (1995 - \$191,398,000) was borrowed from the Province of New Brunswick, was \$120,953,000 at March 31, 1996 (1995 - \$196,152,000).

7. IRRADIATED FUEL MANAGEMENT AND PLANT DECOMMISSIONING

	1996	1995
Balance, beginning of year	\$ 149,733	\$ 141,589
Amounts collected from (refunded to) customers for		
- decommissioning	2,632	19
- disposal of nuclear fuel consumed during the year	(4,263)	(2,178)
- interest	14,381	11,626
	162,483	151,056
Less: Expenditures incurred during year	3,288	1,323
	\$ 159,195	\$ 149,733

Charges for irradiated fuel management and plant decommissioning, including interest, are brought into the calculation of revenue requirements each year and collected from customers through sales of power. The net amount collected, after deducting costs incurred to date for these activities, is currently being utilized by the Corporation as a source of funds.

8. FUEL CHANNEL REMOVAL

In previous fiscal years, and for the period ended September 30, 1995, the Corporation provided for the estimated future cost of removing fuel channels at the nuclear generating station for replacement. The anticipated future costs were calculated based on the experience developed by another Canadian electric utility and on the assumption that fuel channel replacement would become necessary in 1998. During the year ended March 31, 1996, the Corporation implemented an alternative method of correcting problems experienced with fuel channels, known as the SLAR (Spacer Location and Repositioning) process. As a result of the successful completion of this process, the Corporation has determined that the fuel channels will not require replacement until 2008 or later, and there is no further requirement for the fuel channel removal account.

Accordingly, the Corporation has decided to eliminate the fuel channel removal liability account over a three-year period commencing October 1, 1995. The balance in the account at that date, amounting to \$87,781,000, will be credited to income over a three-year period commencing October 1, 1995, 50% in the first twelve months, 30% in the second twelve months and 20% in the third twelve months. An amount of \$21,946,000 has been credited in the year ended March 31, 1996 and is shown in the income statement as an offset against depreciation.

The fuel channel removal account is separately disclosed on the balance sheet this year. In previous financial statements, it was combined with irradiated fuel management and plant decommissioning.

9. DEFERRED LIABILITIES - OTHER

	1996	1995
Early retirement programs	\$ 32,708	\$ 26,053
N.B. Coal land reclamation costs	349	589
	33,057	26,642
Less: Amounts due within one year	7,107	5,224
Balance, end of year	\$ 25,950	\$ 21,418

10. SALES OF POWER

Out-of-province sales of power include \$99,352,000 (1995 - \$73,861,000) to utilities in the United States. The price of these sales includes incremental fuel and operating costs plus a margin of net benefit to the Corporation.

11. DEPRECIATION

	1996	1995
Depreciation expense	\$ 131,292	\$ 150,281
Loss on disposal of property, plant and equipment	435	1,587
Amortization of deferred charges	4,812	6,169
Charges for decommissioning	2,632	19
Charges for fuel channel removal	1,040	2,080
Elimination of fuel channel removal liability	(21,946)	<u> </u>
	\$ 118,265	\$ 160,136

12. FINANCE CHARGES

	1996	1995
Interest expense		
- on debentures and other loans	\$ 345,744	\$ 340,997
- on deferred liabilities	20,353	19,624
	366,097	360,621
Less: Income from sinking funds and other investments	42,898	39,757
	323,199	320,864
Provincial government guarantee fee	21,484	21,051
Amortization of debenture discount and expense	4,609	4,083
Amortization of unrealized foreign exchange	11,842	17,266
	361,134	363,264
Less: Interest capitalized	61,212	30,436
	\$ 299,922	\$ 332,828

13. AMOUNTS CHARGED OR CREDITED TO OPERATIONS NOT REQUIRING A CURRENT CASH PAYMENT

	1996	1995
Depreciation	\$ 131,292	\$ 150,281
Loss on disposal of property, plant and equipment	435	1.587
Amortization of debenture discount and expense	4,609	4,083
Amortization of unrealized foreign exchange	11,842	17,266
Amortization of deferred charges	4,812	6,169
Irradiated fuel management and plant decommissioning	12,750	9,467
Fuel channel removal charges (credits)	(16,960)	8,360
Transfer from generation equalization account	(49,297)	(82,162)
Transfer from export sales stabilization account	-	(5,095)
Early retirement programs	10,968	3,136
Other	1,442	5,202
	\$ 111,893	\$ 118,294

14. PENSION PLANS

According to the funding prescribed by regulations to the Public Service Superannuation Act, future payments for the Corporation's share of the unfunded liability, when accumulated with interest, will settle an obligation of \$133,512,000 (1995 - \$130,118,000). Contributions towards the Corporation's share of the unfunded liability charged to income during the period amounted to \$6,946,000 (1995 - \$6,744,000). Regular contributions to the New Brunswick Public Service Superannuation Plan of \$7,211,000 (1995 - \$7,275,000) were also charged against income.

The actuarial present value of N.B. Coal's accrued pension benefits as at March 31, 1996 was estimated to be \$6,259,000 (1995 - \$5,657,000) and the market related value of pension fund assets was \$6,879,000 (1995 - \$5,884,000). N.B. Coal's net pension expense for the period ended March 31, 1996 was \$131,000 (1995 - \$111,000). N.B. Coal also has pension expense amounting to \$621,000 (1995 - \$777,000), relating to the amortization over the estimated average service lives of the remaining employees of an unfunded early retirement plan with accrued benefits estimated at \$2,800,000 (1995 - \$3,100,000) as at March 31, 1996.

15. COMMITMENTS

BELLEDUNE WHARF

The Corporation has entered into a twenty-year operating lease, expiring in 2013, with a twenty-year renewal option, with Canada Ports Corporation to lease the port facility at Belledune. This lease provides for annual charges of approximately \$4,400,000.

N.B. COAL

N.B. Coal has an ongoing environmental responsibility to treat acidic water drainage from an inactive mine at Fire Road, near Minto. Costs of treatment for the period ended March 31, 1996 were \$792,000 (1995 - \$656,000).

CONSOLIDATED FINANCIAL STATEMENTS

NEW BRUNSWICK

RESEARCH AND PRODUCTIVITY COUNCIL

31 MARCH 1996

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

The Honourable Frank McKenna
Premier of the Province of New Brunswick

- and -

The Chairman and Members of the New Brunswick Research and Productivity Council

I have audited the consolidated statement of financial position of the New Brunswick Research and Productivity Council as at 31 March 1996 and the consolidated statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Council as at 31 March 1996 and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 7 June 1996

NEW BRUNSWICK RESEARCH AND PRODUCTIVITY COUNCIL CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31 MARCH 1996

	Operating	Capital	1996	1995
ASSETS	Fund	Fund	Total	Tota
Current assets		•		
Cash and term deposits	\$ 751 806	\$ -	\$ 751 806	\$ 1 570 363
Accounts receivable	1 910 652	•	1 910 652	1 743 334
Work in progress (Note 2 (b))	142 790	-	142 790	458 884
Prepaid expenses	5 684	-	5 684	15 825
	2 810 932	-	2 810 932	3 788 406
Restricted cash and term deposits	•	1 659 019	1 659 019	-
Capital assets, net (Note 3)	-	1 535 666	1 535 666	1 632 094
, , ,	\$ 2810932	\$ 3 194 685	\$ 6 005 617	\$ 5 420 500
LIABILITIES AND FUND BALANCES				
Current liabilities				
Accounts payable	\$ 659 671	\$ -	\$ 659 671	\$ 554 144
Deferred revenue (Note 2 (b)) Current portion of long-term	360 258	-	360 258	168 764
obligations (Note 4)	-	70 000	70 000	75 371
	1 019 929	70 000	1 089 929	798 279
Long term obligations (Note 4)	-	70 000	70 000	144 889
Deferred contributions (Note 5)		14 427	14 427	•
Fund balances				
Unrestricted	1 791 003	-	1 791 003	3 065 498
Board restricted (Note 6)	-	1 659 019	1 659 019	-
Invested in capital assets		1 381 239	1 381 239	1 411 834
	1 791 003	3 040 258	4 831 261	4 477 332
	\$ 2810932	\$ 3 194 685	\$ 6 005 617	\$ 5 420 500

 Chairman
Executive Director

NEW BRUNSWICK RESEARCH AND PRODUCTIVITY COUNCIL CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED 31 MARCH 1996

	Operating Fund	Capital Fund	1996 Total	1995 Total
REVENUE				
Operations	\$ 7 065 779	\$ -	\$ 7 065 779	\$ 6 633 039
Operating grants				
Province of New Brunswick	767 301	-	767 301	780 120
Cooperation agreement (Note 7)	64 283	-	64 283	339 119
Interest	126 729	-	126 729	92 865
Sundry	9 815	-	9 815	16 677
Gain on sale of capital assets	-	30 003	30 003	1 808
	8 033 907	30 003	8 063 910	7 863 628
EXPENDITURE				
Operations	5 860 773	-	5 860 773	6 024 405
General and administrative	1 376 958	-	1 376 958	1 432 175
Amortization (Notes 3 and 5)	427 338	-	427 338	265 910
Bad debts	44 912	-	44 912	100 979
	7 709 981	-	7 709 981	7 823 469
EXCESS OF REVENUE OVER EXPENDITURE	323 926	30 003	353 929	40 159
Fund balances, beginning of year	3 065 498	1 411 834	4 477 332	4 437 173
Interfund transfers (Note 6)	(1 598 421)	1 598 421	-	-
FUND BALANCES, end of year	\$ 1 791 003	\$ 3 040 258	\$ 4 831 261	\$ 4 477 332

NEW BRUNSWICK RESEARCH AND PRODUCTIVITY COUNCIL CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 1996

	Operating	Capital	1996	1995
	Fund	Fund	Total	Total
CASH PROVIDED BY (USED FOR):				
Operating activities				
Excess of revenue over expenditure	\$ 323 926	\$ 30 003	\$ 353 929	\$ 40 159
Amortization	427 338	-	427 338	265 910
Gain on sale of capital assets	-	(30 003)	(30 003)	(1 808)
Bad debts expense	44 912	-	44 912	100 979
Net change in non-cash working capital	405 655	-	405 655	333 372
Net cash provided by operating activities	1 201 831	-	1 201 831	738 612
Financing and investing activities				
Reduction in long-term obligations	-	(74 889)	(74 889)	(75 371)
Proceeds on disposal of capital assets	-	33 217	33 217	4 200
Acquisition of capital assets	•	(336 185)	(336 185)	(450 942)
Deferred contributions towards capital assets	-	16 4 88	16 488	-
Contributions towards capital assets	-	-	-	283 734
Net cash used in financing and investing activities		(361 369)	(361 369)	(238 379)
NET INCREASE (DECREASE) IN CASH	1 201 831	(361 369)	840 462	500 233
Cash and term deposits, beginning of year	1 570 363	_	1 570 363	1 070 130
Interfund adjustments	(2 020 388)	2 020 388	•	<u> </u>
CASH AND TERM DEPOSITS, end of year	\$ 751 806	\$ 1 659 019	\$ 2 410 825	\$ 1 570 363

NEW BRUNSWICK RESEARCH AND PRODUCTIVITY COUNCIL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 1996

1. Purpose of the organization

The New Brunswick Research and Productivity Council is a non-profit organization incorporated under the Research and Productivity Council Act 1962. The Council provides independent research, testing and technical services to enterprises primarily within New Brunswick on a fee-for-service basis.

2. Significant accounting policies

(a) Fund accounting

Revenue and expenditure associated with delivery of services and administrative support are reported in the Operating Fund. The Capital Fund reports assets, liabilities, gains and expenditure related to the acquisition, disposal and financing of capital assets, as well as the amount of net assets restricted for capital purposes.

(b) Revenue recognition

Revenue is determined to be earned and is recorded in the Operating Fund when services are performed. The value of work completed but not billed is reported as Work in Progress, while amounts which have been paid or billed in advance, but for which work has not been done, are reflected as Deferred Revenue. All interest income is reported in the operating fund in the year it is earned, while gains and losses relating to disposal of capital assets are reported in the Capital Fund in the year the disposal occurs.

(c) Capital assets

Capital assets are recorded in the Capital Fund at cost. Amortization is provided on a straight-line basis over the assets' estimated useful lives. Amortization expense is recorded in the operating fund as part of the cost of service delivery.

(d) Consolidation policy

These consolidated financial statements include the accounts of the Council and those of its whollyowned subsidiary, Minuvar Ltd.

NEW BRUNSWICK RESEARCH AND PRODUCTIVITY COUNCIL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 1996

Capital assets

	Amortization		
Cost	Rates	1996	1995
Vehicles	25 percent	\$ 50 333	\$ 50 333
Computer equipment	25 percent	394 864	316 672
Other equipment	12.5 percent	3 917 748	3 753 288
Building	3 percent	1 663 925	1 650 126
-		6 026 870	5 770 419
Less: accumulated amortization		4 491 204	4 138 325
		\$ 1 535 666	\$ 1 632 094

Equipment was in prior years amortized at ten percent straight line based on an estimated useful life of ten years. This estimation has been changed to four years for computer equipment and eight years for other equipment. At the same time, the net book value of computer and other equipment has been written down to reflect obsolescence and recognize a reduction in estimated service potential as contemplated by the revised rates of amortization. The resulting change in the net book value of equipment is reflected in increased amortization expense for the current year.

Amortization expense is comprised of the following amounts:

	1996	1995
Write-down of equipment	\$ 84 743	\$ -
Amortization of assets	344 656	265 910
Amortization of deferred contributions	(2 061)	
	\$ 427 338	\$ 265 910

4. Loan payable to Provincial Holdings Ltd.

The loan is repayable by instalments on principal of \$70,000 on 30 September of each year through to 30 September 1997. The loan does not bear interest and is secured by a demand promissory note.

NEW BRUNSWICK RESEARCH AND PRODUCTIVITY COUNCIL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 1996

5. Deferred contributions

Deferred contributions reported in the Capital Fund represent the unamortized portion of external contributions received towards the cost of specific capital assets. Amortization of deferred contributions is calculated at the same rate as amortization of the assets to which they relate, and is netted with amortization expense for presentation purposes. This method of presentation is effective for the current fiscal year.

The changes for the year in the deferred contributions balance reported in the capital fund are as follows:

Contribution to the cost of equipment \$16,488
Amortization of deferred contributions (2,061)

Deferred contributions at 31 March 1996 \$14,427

Contributions towards the cost of capital assets in prior years were credited to the cost of the related assets and thus reduced the net asset value subject to amortization. Since the Council's inception it has been the recipient of capital funding from a variety of programs; details concerning the amount and classification of assets funded through these programs are not reasonably determinable. For this reason capital assets purchased prior to 1 April 1995 continue to be carried at cost net of external contributions.

6. Interfund transfers and internally restricted fund balances

The board of directors of the New Brunswick Research and Productivity Council internally restricted resources amounting to \$1,659,019 as at 31 March 1996 in connection with the establishment of the Capital Fund. This internally restricted amount is intended for the acquisition of capital assets and is not available for other purposes without the approval of the board of directors. Interfund transfers totalling \$1,598,421 from the operating fund to the capital fund consists primarily of the restriction of cash of \$1,659,019 plus adjustments to recognize amounts due to and from the operating fund on account of transactions relating to the acquisition, disposal and amortization of capital assets or the payment of capital liabilities.

NEW BRUNSWICK RESEARCH AND PRODUCTIVITY COUNCIL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 MARCH 1996

7. Cooperation Agreement

The Cooperation Agreement on Economic Diversification, a joint federal-provincial program, has entered into an arrangement with the Council to provide a contribution towards operating costs through a three-year period beginning 1 April 1995. During the current year, \$64,283 has been credited directly to revenue.

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8. Related party transactions

During the year the Council provided services to government departments and Crown agencies of the Province of New Brunswick.

The Council provides these services under its normal terms and conditions.

Revenue from services provided for the year	1996	1995
Government departments and agencies Crown utilities	\$648,825 962,591	\$477,414 452,348
Accounts receivable at 31 March		
Government departments and agencies Crown utilities	164,472 304,487	91,333 136,727

9. Comparative figures

The 1995 figures have been restated where necessary to conform with the 1996 presentation.

FINANCIAL STATEMENTS NEW BRUNSWICK TRANSPORTATION AUTHORITY 31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Chairman and Members New Brunswick Transportation Authority Fredericton, New Brunswick

I have audited the balance sheet of the New Brunswick Transportation Authority as at 31 March 1996. This financial statement is the responsibility of the Authority's management. My responsibility is to express an opinion on this financial statement based on my audit.

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

In my opinion, this financial statement presents fairly, in all material respects, the financial position of the Authority as at 31 March 1996 in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 10 October 1996

NEW BRUNSWICK TRANSPORTATION AUTHORITY BALANCE SHEET 31 MARCH 1996

	1996	1995
ASSETS		
Capital projects		_
Rodney Terminal Complex (Note 2) Less: Provision for loan forgiveness (Note 3)	\$19,696,119 19,696,119	\$19,696,119 -
	\$ -	\$19,696,119
LIABILITIES Long-term liabilities Advances - Province of New Brunswick	\$19,696,119	\$19,696,119
Less: Provision for loan forgiveness (Note 3)	<u>19,696,119</u> \$ -	- \$19,696,119
Approved by the Authority		
epictor by the Addionty		
Chairman		

Director

NEW BRUNSWICK TRANSPORTATION AUTHORITY NOTES TO FINANCIAL STATEMENT 31 MARCH 1996

1. Summary of significant accounting policies

- (a) The accounts of the Authority are maintained on an accrual basis by the Province of New Brunswick on behalf of the Authority.
- (b) This financial statement does not include certain administrative salaries and associated costs paid by the Department of Transportation on behalf of the Authority.
- (c) Capital projects are initially recorded at cost in the accounts of the Authority. The gross investment in each project is reduced by cash recoveries, and by write-offs to the extent that costs are determined to be non-recoverable. No charge for depreciation or amortization is made in the accounts of the Authority.

2. Rodney Terminal Complex

This investment represents the Authority's recoverable share of the capital cost of the Rodney Terminal Complex, which was a joint venture by the New Brunswick Transportation Authority and the National Harbours Board to provide improved facilities for the Port of Saint John. Although the complex was federally owned at the time of construction, the Authority, by agreement, is entitled to share in the net operating income until such time as \$25,000,000 of its capital investment without interest is recovered. The Authority's cumulative share of net operating income received under this agreement to 31 March 1996 was \$5,303,881 (1995 - \$5,303,881).

3. Subsequent events

On 12 July 1996 the Province of New Brunswick announced it had forgiven the loan to the Port of Saint John in the amount of \$19,696,119. The financial statement has been adjusted to reflect a provision for this forgiveness.

On 17 September 1996 New Brunswick Transportation Authority transferred ownership interest in the Tiner Point property to the Province of New Brunswick.

FINANCIAL STATEMENTS

PREMIER'S COUNCIL ON
THE STATUS OF DISABLED PERSONS
31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Chairperson and Members of Premier's Council on the Status of Disabled Persons

I have audited the balance sheet of the Premier's Council on the Status of Disabled Persons as at 31 March 1996 and the statements of revenue and expenses and surplus for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Council as at 31 March 1996 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N.B. 3 June 1996

PREMIER'S COUNCIL ON THE STATUS OF DISABLED PERSONS BALANCE SHEET 31 MARCH 1996

	1996	1995
ASSETS		
Current assets		
Cash	\$ 11 567	\$ 3 023
Accounts receivable	22	1 411
Prepaid expenses	6 630	908
	\$ 18 219	\$ 5342
LIABILITIES AND SURPLUS		
Current liabilities		
Accounts payable and accrued liabilities	¢ 2.560	f 1 500
Accounts payable and accided liabilities	\$ 2 568	\$ 1582
Surplus		
Unappropriated	6 861	1 201
Appropriated (Note 1)	8 790	2 559
	15 651	3 760
	\$ 18 219	\$ 5342
Approved by the Council		
, Cha	airperson	

Member

PREMIER'S COUNCIL ON THE STATUS OF DISABLED PERSONS STATEMENT OF REVENUE AND EXPENSES FOR THE YEAR ENDED 31 MARCH 1996

	1996 Budget	1996 Actual	1995 Actual
REVENUE	-		, 10104.
Grants - Province of New Brunswick	\$ 220 100	\$ 221 000	\$ 225 700
Other		7 141	9
	220 100	228 141	225 709
EXPENSES			
Salaries and employee benefits	160 400	160 036	160 033
Office supplies	4 800	7 069	5 369
Telephone	7 000	6 876	7 017
Printing	7 000	6 496	9 760
Translation	7 000	6 479	6 955
Honorariums	6 500	5 104	7 345
Travel expenses	7 000	4 579	8 090
Postage	5 500	3 707	6 330
Maintenance	4 000	3 691	3 126
Hotel expenses	3 900	2 591	4 234
Parking	2 520	2 520	2 520
Council meetings	3 982	1 911	3 821
Consultations and seminars	-	1 482	2 086
Meals	2 000	1 368	2 259
Library and subscriptions	1 500	1 090	1 336
Office equipment rental	2 610	359	2 941
Furniture and equipment	-	333	49
Insurance	350	308	463
Miscellaneous	1 000	166	687
Bank charges	150	85	168
	227 212	216 250	234 589
EXCESS (DEFICIENCY) OF REVENUE		2.0200	204 000
OVER EXPENSES FOR THE YEAR	\$ (7 112)	\$ 11 891	\$ (8 880)
Allocated as follows:		···	
Unappropriated surplus	\$ (7 112)	\$ 5660	\$ (8 889)
Appropriated surplus	-	6 231	9
	\$ (7 112)	\$ 11 891	\$ (8 880)

PREMIER'S COUNCIL ON THE STATUS OF DISABLED PERSONS STATEMENT OF SURPLUS FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
Unappropriated surplus:		
Balance, beginning of year	\$ 1 201	\$ 10 090
Allocation of excess (deficiency) of revenue		
over expenses for the year	5 660	(8 889)
Balance, end of year	6 861	1 201
Appropriated surplus:		
Balance, beginning of year	2 559	2 550
Allocation of excess of revenue		
over expenses for the year (Note 1)	6 231	9
Balance, end of year	8 790	2 559
TOTAL SURPLUS, end of year	\$ 15 651	\$ 3 760

PREMIER'S COUNCIL ON THE STATUS OF DISABLED PERSONS NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. Summary of significant accounting policies

(a) Capital assets

It is the policy of the Council to charge all capital asset purchases to expense in the period in which the expenditure is incurred.

(b) Services provided by the Province of New Brunswick

The Council uses an office for which rent is paid by the Province of New Brunswick. Therefore, no rental charge has been included in the Council's expenses.

(c) Appropriated surplus

Revenues other than the provincial grant have been designated by the Council for the expressed purpose of stimulating popular participation of the disabled throughout the Province in activities of the Council. To reflect the restricted use of these funds a special appropriated surplus account was created. The Council will utilize these funds to offset the increasing cost of enabling persons with disabilities to attend Council meetings or to obtain information.

(d) Other activities - National Access Awareness Week

The Council acts as a co-ordinator for National Access Awareness Week (N.A.A.W.). Funds received for N.A.A.W. are deposited in a bank account under the control of the provincial N.A.A.W. committee. These funds are not available for Council expenditures and do not appear in these financial statements.

2. Budget information

The budget information for 1996 deals only with the general operations of the Council. During the year, the Council undertook activity for which it charged a registration fee. Incremental expenditures were made related to this activity. Neither the revenue nor the expenses related to this activity are included in the budget for general operations.

3. Comparative figures

The 1995 figures have been restated to conform with the 1996 presentation.

FINANCIAL STATEMENTS
PROVINCIAL HOLDINGS LTD.
31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Shareholders of Provincial Holdings Ltd.

I have audited the balance sheet of Provincial Holdings Ltd. as at 31 March 1996 and the statements of income and retained earnings and changes in financial position for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Company as at 31 March 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 25 June 1996

PROVINCIAL HOLDINGS LTD. BALANCE SHEET 31 MARCH 1996

	1996	1995
ASSETS		
Current assets		
Cash and short-term investments	\$ 1,652,733	\$ 2,977,312
Interest receivable	156,166	64,760
Due from the Province of New Brunswick (Note 5(b))	2,170	13,618
Prepaid licence fee		2,195
	1,811,069	3,057,885
ndustrial development projects (Notes 2(a) and 3)		
Loans to client companies	19,915,505	18,386,362
Shares in client companies	12,122,798	11,488,773
Mining rights	1,575,000	1,575,000
	33,613,303	31,450,135
Less: Provision for loss	19,425,666	18,334,073
	14,187,637	13,116,062
Capital assets (Note 2(b))		· · · · · · · · · · · · · · · · · · ·
Land and building, at cost	1,416,872	1,416,872
Less: Accumulated amortization	1,232,810	1,161,966
	184,062	254,906
	\$16,182,768	\$16,428,853
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 4,540	\$ 3,484
Due to Province of New Brunswick	262,000	
	266,540	3,484
Long-term debt		
Due to Province of New Brunswick (Note 3)	26,881,356	24,591,417
Less: Provision for loss on industrial development		===
projects	12,711,154	11,442,790
	14,170,202	13,148,627
Capital stock		
Authorized: 500 common shares, par value of \$10 each		
Issued and fully paid: 500 shares	5,000	5,000
Retained earnings	1,741,026	3,271,742
	1,746,026	3,276,742
	\$16,182,768	\$16,428,853
Approved by the Board		

Director

PROVINCIAL HOLDINGS LTD. STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 1996

		•
REVENUE	1996	1995
Rental income - Grandview building (Note 7)	\$ 111,700	¢ 111 700
Interest income	273,643	\$ 111,700 267,001
Contributions for grants to industry (Note 5(c))	100,000	2,700,000
Recovery of bad debts	176,771	2,700,000
Miscellaneous	2,883	- 4,400
	664,997	3,083,101
EXPENSE		
Grants to Industry (Note 5(c))	119,837	2,700,000
Grandview building		
Security		
Amortization	70.044	9,079
, and azadon	70,844	70,844
	70,844	79,923
General		
Mining rights	2,195	2.405
Bad debts	2,195 2,206	2,195
Other	631	14,776 1,719
	5,032	18,690
	195,713	2,798,613
		2,790,013
IET INCOME FOR THE YEAR	469,284	284,488
Retained earnings, beginning of year	3,271,742	2,987,254
	3,741,026	3,271,742
Dividends paid	2,000,000	-
RETAINED EARNINGS, end of year	\$1,741,026	\$3,271,742

PROVINCIAL HOLDINGS LTD. STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
CASH PROVIDED BY (USED FOR):		
Operations:		
Net income for the year	\$ 469,284	\$ 284,488
Add (deduct) items not requiring, or generating cash		
Amortization	70,844	70,844
Capitalized interest on investments		(172,794)
	540,128	182,538
Changes in non-cash working capital components*	185,293	122,256
	725,421	304,794
Investing activities:		
Industrial development projects - recoveries		
Payments collected	964,649	2,874,101
Industrial development projects - investments	,	
Loans	(2,647,334)	(1,697,138)
Shares	(657,254)	(308,514)
	(2,339,939)	868,449
Financing activities:		
Advances from the Province of New Brunswick	3,254,588	2,055,652
Repayments to the Province of New Brunswick	(964,649)	(2,874,101)
Dividends	(2,000,000)	-
	289,939	(818,449)
INCREASE (DECREASE) IN CASH	(1,324,579)	354,794
Cash position, beginning of year	2,977,312	2,622,518
CASH POSITION, end of year	\$1,652,733	\$ 2,977,312

^{*}Non-cash working capital components includes interest receivable, due from the Province of New Brunswick, prepaid licence fee and current liabilities.

PROVINCIAL HOLDINGS LTD. NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. Description of operations

Provincial Holdings Ltd. was established in 1973 under the Companies Act of the Province of New Brunswick. The Company is wholly owned by the Province of New Brunswick and has administrative responsibility for all industrial development project investments. The administration of the Company's affairs is carried out by employees of the Province of New Brunswick under the direction of the Company's Board of Directors. All costs associated with these employees are paid by the Province.

2. Summary of significant accounting policies

The financial statements are prepared in accordance with generally accepted accounting principles.

(a) Industrial development projects

The Company's investments in industrial development projects are carried at cost except where, by agreement, interest on such projects is to be capitalized. In these cases the capitalized interest is added to the cost of the investment.

To recognize potential losses relating to industrial development project investments, the Company maintains a provision for loss against its investments. Pursuant to Treasury Board minute 74-57, any losses arising on investments funded by advances from the Province of New Brunswick will be borne by the Province through a corresponding reduction in the long term debt of the Company. Accordingly, the Company does not record amounts set up in the provision which relate to provincially funded investments as an income statement expense but instead applies these amounts against its long term debt due to the Province.

(b) Capital assets

Amortization on the building is being taken at 5% per annum on a straight-line basis.

3. Long-term debt

Pursuant to Treasury Board Minute 74-57, advances from the Province of New Brunswick are interest free and are to be repaid from recoveries of amounts invested in industrial development projects.

PROVINCIAL HOLDINGS LTD. NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

4. Outstanding commitments

At 31 March 1996, the Company had outstanding commitments in respect of investments in industrial development projects and grants to industry of \$3,785,000 (31 March 1995 - \$4,983,461). Funds for these investments are provided as required by the Province of New Brunswick.

5 Related party transactions

- (a) The Company approved an interest free loan of \$600,000 to a Crown agency. The \$600,000 loan was fully advanced at 31 December 1988, and is being repaid in annual instalments of \$70,000. The balance outstanding at 31 March 1996 was \$140,000.
- (b) The Company acts as an agent for the Province of New Brunswick for the Self Start Program. Funds are advanced by the Province to cover bank fees and interest as well as any guaranteed loans called by the bank. Any amounts paid by Provincial Holdings Ltd. under the terms of the Program reduce the advance from the Province. During 1996, \$730,600 (1995 \$726,119) was advanced to the Company, \$10,392 (1995 \$2,073) was repaid and \$708,760 (1995 \$704,512) was paid out under the terms of the Program.
- (c) Funds for grants to industry were received from the Department of Economic Development and Tourism (\$100,000) during the 1996 fiscal year. All funds were disbursed by 31 March 1996.

6. Contingent liabilities

The Company has guaranteed loans of certain companies under the Self Start Program. At 31 March 1996, the contingent liability in respect of these guarantees was \$4,337,003 (31 March 1995 - \$4,420,766). The Company also guarantees loans to client companies; the contingent liability in respect of these guarantees was \$7,653,771 (31 March 1995 - \$7,805,562) at 31 March 1996. Any resulting losses will be borne by the Province of New Brunswick.

7. Rental income - Grandview Building

The Company has negotiated a new lease for the Grandview Building. Effective 1 January 1993, the Company is no longer responsible for most of the operating costs of the building.

1996

FINANCIAL STATEMENTS

REGIONAL DEVELOPMENT CORPORATION
31 MARCH 1996

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

The Chairperson and Directors
Regional Development Corporation
Fredericton, New Brunswick

I have audited the balance sheet of the Regional Development Corporation as at 31 March 1996 and the statement of revenue and expenditure - ordinary account and the statement of revenue and expenditure - capital account for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Corporation as at 31 March 1996 and the results of its operations for the year then ended in accordance with the accounting policies set out in Note 1 to the financial statements.

R. W. Black, FCA Auditor General

Fredericton, N. B. 13 September 1996

REGIONAL DEVELOPMENT CORPORATION BALANCE SHEET 31 MARCH 1996

	4.4.4	
ACCETO	1996	1995
ASSETS		
Current assets	\$ 1,212,005	¢ 4 020 500
Cash	\$ 1,212,005	\$ 1,930,580
Accounts receivable Canada - Economic and Regional Development Agreement	10,174,858	7,689,751
- Infrastructure Agreement	2,983,974	7,372,494
- Other	2,091,501	3,221,403
Province of New Brunswick - operating and capital funds	832,981	3,221,403
Other	560,737	845,352
out.	17.856,056	21,059,580
011		
Other assets Fundy Trail Endowment Fund - In Trust (Note 2)	5.000,000	5,000,000
	\$22.856,056	\$26,059,580
LIABILITIES AND EQUITY Current liabilities Accounts payable		
Province of New Brunswick - claims on Canada	\$12,266,359	\$10,911,154
- operating & capital funds	-	5,810,200
Canada	-	11,880
Canada - completed projects	4 500 070	76,936
Other	1.560,376	2,160,827
	13.826,735	18,970,997
Due to Province of New Brunswick		
Fundy Trail Endowment Fund - In Trust	5.000,000	5,000,000
Equity - Special Operating Agency (ordinary)	852,379	-
- Special Operating Agency (capital)	3,176,942	2,088,583
	4.029,321	2,088,583
	\$22.856,056	\$26,059,580

Approved by the Board	
	Chairperson
	Director

REGIONAL DEVELOPMENT CORPORATION STATEMENT OF REVENUE AND EXPENDITURE - ORDINARY ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
REVENUE		
Federal contribution (Schedule 1)	\$29,429,320	\$37,482,800
Provincial contribution (Schedule 2)	46,648,945	50,336,628
Other revenue	(130,860)	663,697
	75,947,405	88,483,125
EXPENDITURE		
Economic and Regional Development Agreement		
Fisheries and Aquaculture - Cooperation	_	205.050
Agri-Food Development - Cooperation	- -	285,859 761 505
Forest Development - Cooperation	<u> </u>	761,505 1,351,688
Cultural Development - Cooperation	361,100	1,427,509
Economic Diversification - Cooperation	8,823,369	16,721,379
Mineral Development - Cooperation	432,064	507.178
Planning Development - Cooperation	336,590	732,644
Urban Economic Development - Cooperation	4,944,651	5,172,706
Economic Development - Cooperation	11,133,199	9,809,498
Entrepreneurship & Human Resources Development	11,100,100	3,003,430
- Cooperation	4,707,723	5,318,843
Travel Generators - Cooperation	-	57,710
	30,738,696	42,146,519
Other projects (Schedule 3)	44,356,330	46 000 000
, , , , , , , , , , , , , , , , , , , ,	75,095,026	46,336,606
	75,095,026	88,483,125
XCESS OF REVENUE OVER EXPENDITURE	852,379	Nil
QUITY - Special Operating Agency, beginning of year	Nil	Nil
QUITY - SPECIAL OPERATING AGENCY, end of year	\$ 852,379	\$ Nil

REGIONAL DEVELOPMENT CORPORATION STATEMENT OF REVENUE AND EXPENDITURE - CAPITAL ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

		
REVENUE	1996	1995
Federal contribution (Schedule 4)	\$21,001,871	\$21,282,145
Provincial contribution (Schedule 5)	22.795,932	19,395,461
	43,797,803	40,677,606
EXPENDITURE		
Economic and Regional Development Agreement		
Urban Economic Development - Cooperation	3,015,196	7,216,296
Economic Diversification - Cooperation	4,467,707	2,848,142
Economic Development - Cooperation	2,392,341	1,051,036
Travel Generators - Cooperation	-,,-	842,410
· ·	9,875,244	11,957,884
Other projects (Schedule 6)	32.834,200	30,131,139
	42,709,444	42,089,023
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE	1,088,359	(1,411,417)
EQUITY - Special Operating Agency, beginning of year	2,088,583	3,500,000
EQUITY - SPECIAL OPERATING AGENCY, end of year	\$ 3,176,942	\$ 2,088,583

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REGIONAL DEVELOPMENT CORPORATION SCHEDULES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

Schedule 1 - Ordinary Account - Revenue - Federal contribution	1996	1995
Trevende Trederarconarioation		
Economic and Regional Development Agreement	\$20,370,988	\$26,414,061
Other projects		
Official Languages	1,916,040	1,794,832
Youth Futures	104,290	523,733
N. B. Works - Training Development Fund	4,978,680	5,947,354
- Canada Assistance Plan	•	517,334
Developmental Funding	-	223,162
Special Operating Agency - Infrastructure Agreeme		2,062,324
	\$29,429,320	\$37,482,800
Schedule 2 - Ordinary Account		
- Revenue - Provincial contribution		
Economic and Regional Development Agreement	\$10,281,746	\$15,763,379
Other projects	Ψ10,201,740	φ13,703,37 9
Official Languages	1,263,553	1,088,622
Youth Futures	7,682,450	8,699,217
N. B. Works - Training Development Fund	4,990,871	5,961,950
- Canada Assistance Plan		517,335
Other	10,723,077	8,821,293
Developmental Funding	8,795,548	7,422,508
Special Operating Agency - Infrastructure Agreeme		2,062,324
- Other	700,000	-
	\$46,648,945	\$50,336,628
Schedule 3 - Ordinary Account		
- Expenditure - Other projects		
Developmental Funding	£ 0.705.540	A 7.045.070
Developmental Funding	\$ 8,795,548	\$ 7,645,670
Special Operating Agency - Infrastructure Agreemen Development Assistance	,	4,124,649
Development Assistance Operations	3,817,722	3,384,506
Small Business Program	1,711,884	1,514,775
Youth Futures	7 796 740	200,000
Official Languages	7,786,740 3,470,503	9,222,950
N. B. Works - Training Development Fund	3,179,593	2,883,454
N. B. Works - Canada Assistance Plan	9,969,550	11,909,304
Projects approved by Order in Council	1 000 225	1,034,669
Centres Communautaires	1,066,335 1,345,160	702,538
Water Agreement - Eel River Bar Indian Band	1,345,169	1,335,169
Action North	4 267 244	(230,000)
Atlantic Canada Tourism Partnership	1,367,244	1,330,464
Fisheries Strategic Development	454,374	462,996 538,506
Miscellaneous projects	- 742 500	538,506
miscellaticous projects	743,528 \$44,356,330	276,956
	<u>\$44,356,330</u>	\$46,336,606

REGIONAL DEVELOPMENT CORPORATION SCHEDULES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1996

		1996	1995
Schedule 4	- Capital Account - Revenue - Federal contribution		
	nd Regional Development Agreement rating Agency - Infrastructure Agreement	\$ 6,103,830 14,898,041	\$ 6,816,812 14,465,333
		\$21,001,871	\$21,282,145
Schedule 5	- Capital Account - Revenue - Provincial contribution		
Other Project	id Regional Development Agreement ts rating Agency - Infrastructure Agreement - Port of Belledune expansion	\$ 3,771,414 2,038,118 16,986,400	\$ 5,141,072 1,200,472 12,053,917 1,000,000
	·	\$22,795,932	\$19,395,461
Schedule 6	- Capital Account - Expenditure - Other projects		
Provincial Ass Streetscape F	sistance Program Program	\$ 1,750,000 288,118	\$ 1,200,472 -
Special Opera	ating Agency - Infrastructure Agreement - Port of Belledune expansion	29,796,082 1,000,000	28,930,667 -

REGIONAL DEVELOPMENT CORPORATION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. Summary of significant accounting policies

a) General comments on operations

The Regional Development Corporation is a provincial Crown agency incorporated by an Act of the New Brunswick Legislature. The Corporation has administrative responsibility for all provincially delivered programs under the Economic and Regional Development Agreement. The Corporation is also responsible for a number of other projects assigned to it by the Province.

Federal contributions are in some instances paid directly to project recipients. Such payments are not recorded in the revenues and expenditures of the Corporation.

The Corporation established a Special Operating Agency (SOA) effective 31 March 1994. The SOA was formed primarily for the purpose of providing financial management for the Canada - New Brunswick Infrastructure Agreement. The equity balance for the SOA represents amounts funded by the Province for future expenditures by the SOA.

b) Basis of accounting

These financial statements are prepared using the accrual basis of accounting whereby revenues and expenditures are allocated to the year in which they are earned or incurred irrespective of the date on which the related cash transactions are effected. In accordance with this basis of accounting, federal contributions are recorded as revenue when funding has been approved under the applicable agreement and the qualifying expenditures incurred.

Expenditures recorded under cost sharing agreements represent costs incurred by the Corporation in the implementation of approved projects. Included are certain expenditures which are ineligible for cost sharing under the terms of the agreements, and expenditures in excess of budgets approved under those agreements. In some cases expenditures are approved for cost sharing in a subsequent year.

c) Capital expenditures

Capital expenditures represent costs incurred in the acquisition of permanent assets to be employed in providing general government services to the public at large. The Corporation does not record them as assets in the balance sheet but they are recorded as capital expenditures in the accounts of the Province of New Brunswick net of capital recoveries.

REGIONAL DEVELOPMENT CORPORATION NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

2. Fundy Trail Endowment Fund

The Province of New Brunswick and the Government of Canada have agreed to the establishment of this fund. The sole purpose of the fund is to assist in the construction of a scenic roadway from St. Martins, N.B. to Alma, N.B.

The Province of New Brunswick has advanced \$5 million to this fund which is being held in trust. This \$5 million was advanced through the Regional Development Corporation. At a future date this \$5 million will be returned to the Regional Development Corporation. This date is to be no later than 31 March 2010.

3. Initiatives of Provincial Departments

During the 1996 fiscal year the Corporation provided the administrative vehicle through which the Department of Economic Development and Tourism, the Department of Fisheries and Aquaculture and the Department of Finance implemented the U.S. Investment Prospecting Initiative, the Fisheries Research and Training Project and the Tobacco Sales Enforcement Initiative respectively. The Corporation paid \$1 million in costs on behalf of these Departments which were fully recovered by it from Canada and other organizations. The net costs and recoveries are reflected in these financial statements.

4. Commitments

Under the Economic and Regional Development, N. B. Works and Infrastructure Agreements the provincial government has committed funds to be spent subsequent to 31 March 1996. At 31 March 1996 the total of such commitments was approximately \$82 million.

Such commitments are made subject to funds being approved by the Legislature of New Brunswick.

5. Contingent liabilities - Federal contributions

Contributions received from the federal government under federal/provincial cost sharing agreements are subject to adjustment following audits by federal authorities. Adjustments as a result of federal audits will be reflected in the financial statements of the Corporation in the period of settlement.

FINANCIAL STATEMENTS

STRAIT CROSSING FINANCE INC.

30 OCTOBER 1995



KPMG
Chartered Accountants

Frederick Square
77 Westmorland Street Suite 700
Fredericton New Brunswick E3B 6Z3
Canada

Telephone (506) 452-8000 Telefax (506) 450-0072 http://www.kpmg.ca

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the statement of financial position of Strait Crossing Finance Inc. as at October 30, 1995 and the statement of earnings and retained earnings for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at October 30, 1995 and the results of its operations for the period then ended in accordance with generally accepted accounting principles.

Chartered Accountants

Fredericton, N.B., Canada May 31, 1996

Statement of Financial Position

October 30, 1995, with comparative figures for 1994

	1995	 1994
Asset		
Cash	\$ 11	\$ 1
Shareholders' Equity		
Shareholders' equity: Share capital: Authorized: Unlimited common shares without par value Issued and outstanding: 1 Share	\$ 1	\$ 1
See accompanying notes to financial statements.		
On behalf of the Board:		
Director		

Statement of Earnings and Retained Earnings

Year ended October 30, 1995, with comparative figures for 1994

	1995	 1994
Revenue:		 -
Financial maintenance fee (notes 2(d) and 3)	\$ 60,858	\$ 98,252
Expenses:		
Legal fees	_	4,009
Bond rating service	_	22,144
Trustee fees (note 3)	58,858	66,585
Professional services	1,750	
Filing fees	250	5,264 250
	60,858	 98,252
Net earnings, being retained earnings, end of year	\$ 	\$

See accompanying notes to financial statements.

Notes to Financial Statements

Year ended October 30, 1995

1. Incorporation:

Strait Crossing Finance Inc. (SC Finance or the Company) was incorporated under the Canada Business Corporations Act as a special purpose corporation. Its sole business is restricted to the issuance and sale of Indexed Fully Amortizing Bonds due April 1, 2032, the lending of money to and making payments to Strait Crossing Development Inc. (SC Development) and matters related thereto.

The outstanding share of SC Finance is owned by Her Majesty the Queen in Right of New Brunswick. No shareholder is entitled to transfer any shares of SC Finance. SC Finance is exempt from taxes otherwise payable under the provisions of section 149(1)(d) of the Income Tax Act (Canada).

2. Transactions and agreements:

(a) Issue of Bonds:

On October 7, 1993, SC Finance issued Indexed Fully Amortizing Bonds (the "Bonds") in the principal amount of \$661,542,612 maturing on April 1, 2032. The Bonds will bear interest at an annual real rate, compounded annually, equivalent to 4.50% compounded semi-annually. Irrespective of any decline in the level of the consumer price index over any period after May 27, 1992, the aggregate payment to be made on the Bonds on May 31, 1997 will not be less than \$35,012,328 and on April 1, 1998 will equal at least \$41,900,000. On any subsequent Payment Date, the aggregate payment to be made on the Bonds will be not less than the highest payment made on any previous Payment Date, except for the payment made on April 1, 2032. No interest payments are required on the Bonds until May 31, 1997. Commencing May 31, 1997 and thereafter on April 1st of each year, 36 annual payments are due on account of principal and interest, such that all interest and principal will be fully repaid as of April 1, 2032.

(b) Subsidy Agreement and Assignment:

Also on October 7, 1993, SC Finance entered into a Subsidy Agreement with the Government of Canada whereby Canada agreed to make payments to SC Finance which correspond in timing and amount with the payments required on the Bonds, as described above. On the same date, SC Finance irrevocably assigned its rights to receive payments under the Subsidy Agreement to the Bond Trustee. The recourse of the Bondholders is limited to the Bond Trustee's right to receive payments under the Subsidy Agreement. Since an obligation of the Government of Canada has been irrevocably assigned to a trust, solely to satisfy the scheduled interest and principal repayment requirements of the Bonds, the Bonds are considered extinguished for financial reporting purposes. Accordingly, the Bonds payable and the amounts receivable under the Subsidy Agreement have been removed from the Company's statement of financial position.

Notes to Financial Statements, continued

Year ended October 30, 1995

(c) Developer Loan Agreement:

The proceeds from the issuance of Bonds were loaned by SC Finance to SC Development pursuant to a Developer Loan Agreement (the "Agreement") dated October 7, 1993. The Promissory Note from SC Development is unsecured and bears interest at a rate equivalent to that owing on the Bonds. The Promissory Note cannot be assigned or transferred by SC Finance without the consent of SC Development. The repayment terms of the Promissory Note are matched exactly with the payments required on the Bonds.

Under the terms of the Agreement, when the Bond Trustee receives a payment from the Government of Canada under the Subsidy Agreement, SC Finance must, on the same day, make a Contribution in the same amount to SC Development provided that SC Finance has received the required payment from SC Development under the Promissory Note.

Since the Promissory Note from SC Development is exactly matched by SC Finance's obligation to make Contributions to SC Development, and SC Finance and SC Development intend to settle these assets and liabilities simultaneously, the Promissory Note from SC Development and the Contributions due to SC Development have been removed from the Company's statement of financial position.

(d) Financial Maintenance Fee:

Under the Developer Loan Agreement, SC Finance is entitled to receive a Financial Maintenance Fee from SC Development to compensate SC Finance for on-going financial services. The Financial Maintenance Fee is to be equal to the costs SC Finance incurs with respect to the maintenance of records, including the fees and expenses of the Bond Trustee, less any other net revenues received.

3. Adjustment of prior years' goods and services taxes:

The company was reassessed \$23,450 in 1995 for goods and services taxes relating to the years 1993 and 1994. Of this amount, \$4,011 is applicable to 1994 and has been reflected as an increase in the trustee fees and financial maintenance fee for that year.

FINANCIAL STATEMENTS VEHICLE MANAGEMENT AGENCY

(Unaudited)

MARCH 31, 1996

VEHICLE MANAGEMENT AGENCY BALANCE SHEET

(Unaudited) AS AT MARCH 31, 1996

ASSETS	<u>1996</u>
Current Assets:	
Accounts Receivable Inventories	\$233,022 5,276,069
	\$5,509,091
LIABILITIES AND SURPLUS	
Current liabilities:	
Advances from the Province of New Brunswick Accounts Payable Accrued Salaries Payable	\$4,727,332 424,062 70,466
	\$5,221,860
Accumulated Surplus	287,231
	\$5,509,091

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

Donald J. McCrea

Deputy Minister of Transportation

VEHICLE MANAGEMENT AGENCY STATEMENT OF REVENUE, EXPENSES AND SURPLUS

(Unaudited)
FOR THE YEAR ENDED MARCH 31,1996

	<u>1996</u>
Revenue:	
Charge-backs to Clients	\$43,024,334
Sale of Vehicles and Equipment	226,368
	\$43,250,702
Expenses:	
Personal Services	\$12,073,176
Other Services	7,757,975
Materials and Supplies	22,767,573
Property and Equipment	288,724
Inventory Shortages and Obsolescence	76,023
	\$42,963,471
Excess of Revenue Over Expenses for the Year	\$287,231
Surplus at Beginning of Year	0
Surplus at End of Year	\$287,231

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

VEHICLE MANAGEMENT AGENCY NOTES TO FINANCIAL STATEMENTS

(Unaudited) MARCH 31, 1996

1. Special Operating Agency

The former Vehicle Management Branch within the Department of Transportation was established as a Special Operating Agency effective April 1, 1995 by a cabinet decision in May 1995.

2. Summary of significant accounting policies

(i) Accrual basis

The financial statements are prepared using the accrual basis of accounting whereby revenue and expenses are allocated to the period in which they are earned or incurred irrespective of the date on which the related cash transactions are effected.

(ii) Capital assets

During the 1995-96 fiscal year, capital acquisitions of vehicles and equipment were charged to expense, within the Department of Transportation, in the period in which the expenditure was incurred. Total acquisitions amounted to \$8, 293,000 during this fiscal year. Beginning April 1, 1996, capital acquisitions will be set up as assets on the books of the Agency.

(iii) Inventories

The inventories of fuel and materials and supplies are valued at cost with a reserve for obsolete stock.

Total Cost	\$5,377,720
Less Reserve	(101,651)
Net Inventory Value	\$5,276,069

FINANCIAL STATEMENTS

WORKPLACE HEALTH, SAFETY AND COMPENSATION COMMISSION OF NEW BRUNSWICK

31 DECEMBER 1995

BALANCE SHEET

December 31 1005

	1995	1994
	(\$000)	(\$000)
Assets		
Receivables (Note 4)	59,970	46,090
Investments (Note 5)	375,164	334,074
Capital assets (Note 6)	9,078	9,401
Other assets	234_	204
	444,446	389,769
LIABILITIES AND NET FUND SURPLUS (DE	EFICIENCY)	
Payables and accruals (Note 7)	22,753	8,068
Deferred revenue	417	0
Benefits liabilities (Note 8)	403,209	405,524
Total liabilities	426,379	413,592
Contingency reserves (Note 16) Fund balance (Unfunded	6,279	4,279
liability)	11,788	(28,102)
Net fund surplus (deficiency)	18,067	(23,823)
	444,446	389,769
Gilles Cormier		
Soard Member		
im MacDonald Board Member		
board recinioer		
	- -	
Médard Collette		
Chairperson, Board of Directors		

AUDITORS' REPORT

To the Honourable Minister of Advanced tion and Labour of the Province v Brunswick

we audited the balance sheet of orkplace Health, Safety and ensation Commission of New wick as at December 31, 1995 and atements of operations and fund e (unfunded liability) and cash for the vear then ended. These ial statements are the sibility of the Commission's gement. Our responsibility is to ss an opinion on these financial nents based on our audit.

nducted our audit in accordance enerally accepted auditing ards. Those standards require that in and perform an audit to obtain nable assurance whether the ial statements are free of material itement. An audit includes ining, on a test basis, evidence rting the amounts and disclosures financial statements. An audit cludes assessing the accounting ples used and significant estimates by management, as well as ting the overall financial nent presentation.

opinion, these financial nents present fairly, in all material ts, the financial position of the lace Health, Safety and ensation Commission of New wick as at December 31, 1995 and sults of its operations and its cash for the year then ended in lance with generally accepted nting principles.

John, New Brunswick ary 23, 1996

tered Accountants

STATEMENT OF OPERATIONS AND FUND BALANCE (UNFUNDED LIABILITY)

Year ended December 31, 1995

		1995 (\$000)		1994 (\$000)
	Prior Years'	Current Year		
	Injuries	Injuries	Total	Total
INCOME				
Assessments (Notes 10 and 11)	6,287	76,723	83,010	91,512
Unfunded liability assessment	10,000	0	10,000	10,000
Investments and other	32,784	0	32,784	23,451
Province of New Brunswick	0	1,677	1,677	1,747
	49,071	78,400	127,471	126,710
Expenses				
Claims costs incurred (Notes 8 and 11)				
Short-term disability	2,313	13,940	16,253	16,215
Long-term disability	2,172	11,701	13,873	14,557
Survivor benefits	4,670	2,489	7,159	5,917
Health care	9,301	12,753	22,054	19,592
Rehabilitation	160	3,095	3,255_	7,752
	18,616	43,978	62,594	64,033
Administration (Note 12)	0	22,340	22,340	22,419
Legislative obligations (Note 13)	0	472	472	425
Prevention and Research	0	175	175	134
	18,616	66,965	85,581	87,011
Surplus for the year	30,455	11,435	41,890	39,699
			····	
Unfunded liability, beginning of year	r		(28,102)	(65,801)
Surplus for the year			41,890	39,699
Appropriation to Occupational Dise	ease Reserve (N	Vote 16)	(2,000)	(2,000)
Net change in fund balance (unfund	ded liability)		39,890	37,699
Fund balance (unfunded liability),	end of year		11,788	(28,102)

STATEMENT OF CASH FLOWS

Year ended December 31, 1995

	1995 (\$000)	1994 (\$000)
Cash flow from operating activities:		
Cash received from:		
Employers, for assessments	92,415	106,407
Investments and other	33,436	23,259
Province of New Brunswick	2,094	1,712
	127,945	131,378
Cash paid:		
To injured workers or third parties on their behalf	64,909	66,126
For administration requirements and other goods and services	19,851	19,808
	84,760	85,934
Net cash provided by operating activities	43,185	45,444
Cash flow from investing activities:		
Cash paid:		
For purchase of capital assets - net of proceeds	2,095	5,170
Net increase in cash and investments	41,090	40,274
Cash and investments, beginning of year	334,074	293,800
Cash and investments, end of year	375,164	334,074

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

1. NATURE OF OPERATIONS

The Workplace Health, Safety and Compensation Commission ("the Commission") was established by the New Brunswick Legislature on January 1, 1995, under the *Workplace Health, Safety and Compensation Commission Act*. This organization assumes all the functions previously performed by the Workers' Compensation Board of the Province of New Brunswick and the New Brunswick Occupational Health and Safety Commission, including the administration of the *Workers' Compensation Act* and the *Occupational Health and Safety Act*.

The Commission is responsible, in accordance with the provisions of these acts, for administering the payment of benefits to injured workers; levying and collecting assessment revenues from established classes of employers in amounts sufficient to cover the current and future costs of existing claims; promotion of occupational health and safety; and investing funds.

The Provincial Government has committed to the funding of a grant to the Commission in support of occupational health and safety for a period of three years commencing in 1995.

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

Provision for unbilled assessments

As a portion of assessment income for the year is not received until after year-end, the amount shown is an estimate based on statistical analysis of employer payroll data. The difference between this estimate and the actual income received is credited or charged to income in the following year.

Investments

Fixed-term investments are reported at amortized cost. Gains and losses realized on disposal of fixed-term investments are amortized on a straight line basis over a seven-year period, which approximates the period to maturity.

Equity investments are reported at moving average market value. Unrealized gains and losses occurring during the year, together with gains and losses realized on disposal of equity investments, are deferred and amortized on a straight line basis over a five-year period.

Capital assets

Capital assets are reported at cost and are depreciated on a straight line basis over their estimated useful lives. The rates used are as follows:

Buildings 25 or 40 years
Office furniture and equipment 5 years
Computer software and hardware 3 or 5 years

Motor vehicles 3 years, 35% residual value

Benefits liabilities

The benefits liabilities represent the actuarial present value of all future benefits payments expected to be made for claims which occurred in the current fiscal year or in any prior year. The benefits liabilities include provision for all benefits provided by current legislation, policies and administrative practices in respect of existing claims. It is the Commission's policy to have an independent consulting actuary complete a valuation of the benefits liabilities of the Commission every two years. Such a valuation was performed as at December 31, 1994. In the interim years, the Commission's staff actuary completes an estimate of the benefits liabilities. This estimate is reviewed with the Commission's consulting actuary, but not in the same level of detail as when a full independent valuation is performed. Actual future costs could vary from those amounts presented in the financial statements.

No benefits liabilities provision has been made for future claims related to latent occupational disease (Note 16) or for future expenses of administration of existing claims.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

2. SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES (CONTINUED)

Workers' Rehabilitation Centre

Included in health care costs is \$6.0 million (1994 - \$6.1 million) for services provided by the Workers' Rehabilitation Centre, a department of the Commission.

Funding policy

The Commission's funding policy states that it is the Commission's goal to attain a funded ratio of assets to liabilities of 105%. Consequently, the assessment revenue raised each year from assessed employers includes a certain amount designed to allow the Commission to retire its unfunded liability and attain its target funded ratio. In 1995, this amount was \$10.0 million (1994 - \$10.0 million). The revenue raised with respect to the funding policy is shown separately in the Statement of Operations.

Self-insured employers

The financial statements include transactions carried out for self-insured employers (Federal and certain Provincial Government bodies) who directly bear the cost of their incurred claims and an appropriate share of administration costs.

The benefits liabilities recorded in the financial statements include obligations to injured workers of self-insured employers, excluding those injured workers and dependents receiving benefits under the *Government Employees Compensation Act* or the *Silicosis Compensation Act*. These obligations represent the actuarial present value of all future benefits payments expected to be made for claims which occurred in the current fiscal year, or in any prior year, for these self-insured employers. As these liabilities will be borne by the self-insured employers when paid in future years, an offsetting receivable in an amount equal to the benefits liabilities exists and is included in the receivable from them. Self-insured employers who are Crown corporations are required to provide the Commission with an irrevocable letter of credit or a guarantee from the Province of New Brunswick as security for the receivable.

Agreements with respect to employer assessments

The Commission has entered into agreements with certain employers which require these employers to provide funding to cover the specific costs of benefits to their injured workers. Depending on the agreement with those certain employers, or three years following the end of a fiscal year, an actuarial determination is made of the future benefits payments expected for claims identified with each employer and a final settlement is reached with each employer. Subsequent adjustments to the actuarial determination of benefits liabilities associated with these agreements would be the responsibility of, or for the benefit of, the Commission.

3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

During 1994, changes were made to the Workers' Compensation Board's accounting policies for self-insured employers relating to benefits liabilities, assessment revenues and claims costs incurred.

The benefits liabilities relating to self-insured employers (excluding the Federal Government and pre-1948 silicosis awards) were included in total benefits liabilities. An offsetting receivable was recorded reflecting these liabilities which will be borne by those employers, with the receivable collected when the liabilities are paid in future years. In previous years, these liabilities were disclosed in a note to the financial statements but were not included in the benefits liabilities reported in the financial statements. Some injured workers of self-insured employers receive salary from their employer in lieu of the short-term disability benefits which they are entitled to. The short-term disability benefit entitlements for these injured workers are now included in assessment revenue and claims costs incurred.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

3. CHANGES IN ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

As a result of these changes in accounting policies, receivables, total assets, benefits liabilities and total liabilities were each increased by \$38,438,000 as at January 1, 1994. Assessment revenue and claims costs for 1994 were each increased by \$1,431,000. These changes in accounting policies had no effect on the unfunded liability or the net fund deficiency.

4. RECEIVABLES

	1995 (\$000)	1994 (\$000)
Assessments	1,602	1,991
Provision for unbilled assessments	3,300	3,500
Self-insured employers	54,724	40,208
Other	344	391
	59,970	46,090
5. Investments		
	1995	1994
	(\$000)	(\$000)
a) Portfolio Investments		
Money Market	52,282	74,129
Fixed-term investments (Market 1995 - \$112,684; 1994 - \$97,113)	105,274	100,620
Equities (Market 1995 - \$256,180; 1994 - \$183,494)	236,765	178,368
Accrued interest	2,455	2,081
	396,776	355,198
Deferred realized investment gains	(21,612)	(21,124)
	375,164	334,074
b) Deferred Realized Investment Gains		
Balance, beginning of year	(21,124)	(18,951)
Realized net investment gains for the year	(11,702)	(10,423)
	(32,826)	(29,374)
Amortization to investment income	11,214	8,250
Balance, end of year	(21,612)	(21,124)

In addition, the Commission amortized \$3.7 million (1994 - \$1.0 million) of unrealized investment gains to investment income during the year.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

	1995 (\$000)		1994 (\$000)
Cost	Accumulated Depreciation	Net Book Value	Net Book Value
144	0	144	144
9,987	3,923	6,064	6,211
3,611	2,853	758	907
14,552	12,578	1,974	1,752
367	229	138	143
0	0	0	244
28,661	19,583	9,078	9,401
	144 9,987 3,611 14,552 367 0	(\$000) Accumulated Depreciation 144 0 9,987 3,923 3,611 2,853 14,552 12,578 367 229 0 0	(\$000) Accumulated Depreciation Net Book Value 144 0 144 9,987 3,923 6,064 3,611 2,853 758 14,552 12,578 1,974 367 229 138 0 0 0

	1995 (\$000)	1994 (\$000)
Accounts payable and accruals	3,725	2,370
Risk Management Demonstration Project	1,306	1,708
Employer deposits	5,722	3,990
Due to Department of Health and Community Services (Note 17)	12,000	0
	22,753	8,068

A provision of \$2 million was included in 1993 assessment rates to provide for the implementation of a Risk Management Demonstration Project. A portion of the assessments is being used to cover the costs of administering the project and is recorded in income at the time the expenditures are made; the remainder will be returned to participating employers who achieve the qualifying standards. During the year, related administration costs of \$402,000 (1994 - \$292,000) were incurred and a corresponding amount of the Risk Management Demonstration Project was recorded as assessment income.

The employer deposits represent funds deposited with the Commission in accordance with the agreements referred to in note 2 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

8. BENEFITS LIABILITIES

Balance, beginning of year 31,234 215,190 82,284 59,803 17,013 405,524 407,67 Add Claims costs incurred: Current year injuries 13,940 11,701 2,489 12,753 3,095 43,978 45,77 Prior years' injuries 2,313 2,172 4,670 9,301 160 18,616 18,33 16,253 13,873 7,159 22,054 3,255 62,594 64,00 Less Claims payments made: Current year injuries 6,516 50 67 4,631 43 11,307 12,60				1995 (\$000)				1994 (\$000)
Add Claims costs incurred: Current year injuries 13,940 11,701 2,489 12,753 3,095 43,978 45,7 Prior years' injuries 2,313 2,172 4,670 9,301 160 18,616 18,3 16,253 13,873 7,159 22,054 3,255 62,594 64,0 Less Claims payments made: Current year injuries 6,516 50 67 4,631 43 11,307 12,6			0				Total	Total
Current year injuries 13,940 11,701 2,489 12,753 3,095 43,978 45,7 Prior years' injuries 2,313 2,172 4,670 9,301 160 18,616 18,3 16,253 13,873 7,159 22,054 3,255 62,594 64,0 Less Claims payments made: Current year injuries 6,516 50 67 4,631 43 11,307 12,6		,	215,190	82,284	59,803	17,013	405,524	407,617
Prior years' injuries 2,313 2,172 4,670 9,301 160 18,616 18,3 16,253 13,873 7,159 22,054 3,255 62,594 64,0 Less Claims payments made: Current year injuries 6,516 50 67 4,631 43 11,307 12,6			11,701	2,489	12,753	3,095	43,978	45,727
Less Claims payments made: Current year injuries 6,516 50 67 4,631 43 11,307 12,6	, ,	,	,	•	9,301	160	18,616	18,306
Current year injuries 6,516 50 67 4,631 43 11,307 12,6		16,253	13,873	7,159	22,054	3,255	62,594	64,033
Current year injuries 6,516 50 67 4,631 43 11,307 12,6	Less Claims payments ma	de:						
			50	67	4,631	43	11,307	12,655
Prior years' injuries 11,836 18,766 6,804 13,809 2,387 53,602 53,4	Prior years' injuries	11,836	18,766	6,804	13,809	2,387	53,602	53,471
18,352 18,816 6,871 18,440 2,430 64,909 66,1		18,352	18,816	6,871	18,440	2,430	64,909	66,126
Balance, end of year 29,135 210,247 82,572 63,417 17,838 403,209 405,5	Balance, end of year	29,135	210,247	82,572	63,417	17,838	403,209	405,524

Significant changes in the expected cost of prior years' injuries arising from the actuarial estimate of the benefits liabilities performed as at year-end included the following:

	Increase (Decrease) ir benefits liabilitie	
	1995 (\$000)	1994 (\$000)
Favourable cost experience on short-term disability claims Decreased number of expected claims for long-term disability benefits	0	(1,600)
and cost per claim	(14,700)	(11,400)
Decreased average cost per claim for survivor benefits	(1,800)	(1,900)
Unfavourable experience for health care costs Increased (decreased) number of expected claims for rehabilitation	4,500	2,400
benefits and average cost per claim	(1,060)	3,900

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

9. ACTUARIAL ASSUMPTIONS

The estimate of the benefits liabilities is based on actuarial assumptions that reflect both short-term and long-term forecasts. These actuarial assumptions applied for 1995 are consistent with those applied in the actuarial valuation of the benefits liabilities as at December 31, 1994 completed by the Commission's independent consulting actuary. The table below lists the principal economic assumptions used:

_	Rate
Gross rate of return	8.00%
Inflation	4.35%
Net rate of return	3.50%

10. Assessments

		1995 (\$000)		1994 (\$000)
	Prior Years' Injuries	Current Year Injuries	Total	Total
Assessments Assessments written off Self-insured employers	1,802 0 4,485	68,091 (256) 8,888	69,893 (256) 13,373	81,714 (402) 10,200
	6,287	76,723	83,010	91,512

11. SELF-INSURED EMPLOYERS

	1995 (\$000)	1994 (\$000)
Assessment revenue	13,373	10,200
Claims costs incurred:		
Short-term disability	2,160	2,855
Long-term disability	3,505	2,284
Survivor benefits	374	660
Health care	2,720	1,608
Rehabilitation	1,741	160
A description of the control of the	10,500	7,567
Administration	<u> 2,873</u>	2,633
	13,373	10,200

Included in the benefits liabilities and receivables is \$52.5 million (1994 - \$38.5 million) for self-insured employers, excluding those covered by the *Government Employees Compensation Act* and the *Silicosis Compensation Act*.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

12. Administration				
_		1995 (\$000)		1994 (\$000)
_	Operations	Appeals Tribunal	Total	Total
Salaries and employee benefits	14,360	838	15,198	15,132
Depreciation	2,322	0	2,322	2,674
Professional fees	561	0	561	909
Office and communications	1,450	37	1,487	1,299
Education, travel and vehicle operations	1,203	135	1,338	1,172
Building operations	1,934	7	1,941	1,766
Other	427	6	433	722
	22,257	1,023	23,280	23,674
Corporate restructuring	1,380	0	1,380	929
_	23,637	1,023	24,660	24,603
Recovery of costs	(2,320)	0	(2,320)	(2,184)
_	21,317	1,023	22,340	22,419

Corporate restructuring costs consist primarily of salaries and benefits for employees in positions which have been determined to be redundant but who the Commission continues to employ due to contractual obligations or Commission policy. Also included are the costs of an early retirement program offered during 1995.

The "Recovery of costs" consists of costs incurred by the Commission on behalf of the Workers' Rehabilitation Centre which are properly reflected as health care costs. The comparative figures for 1994 have been restated to reflect the presentation adopted for 1995.

13. RELATED PARTY TRANSACTIONS

The Commission is required by legislation to reimburse the Provincial Government for all operating costs of the Workers' and Employers' Advocates. During the year, payments made were as follows:

	(\$000)	(\$000)
Workers' Advocate Employers' Advocate	338	294
Employers Advocate	134	131
	472	425

Included in the financial statements are amounts resulting from normal operating transactions with various Provincial Government controlled departments, agencies and Crown corporations with which the Commission may be considered related. Account balances arising from these transactions are included in the financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

13. RELATED PARTY TRANSACTIONS (CONTINUED)

The following investments held by the Commission are issued by the Province or its agencies, or are issued by municipalities and guaranteed by the Province:

	1995 (\$000)	1994 (\$000)
Provincial Government	<u> 1,156</u>	3,383

14. EMPLOYEE PENSION PLAN

The Commission and its employees participate in a contributory defined benefit pension plan, administered by the Province of New Brunswick, which provides pensions based on the length of service and best average earnings.

An actuarial valuation was prepared as at April 1, 1989. This valuation indicates that the present value of the accumulated plan benefits exceeds the market value of the net assets available to provide for these benefits. The Commission's portion of the shortfall was determined to be \$2.6 million. The unfunded liability is being funded through 25 annual escalating payments which commenced in 1992.

Using the 1989 valuation, annual payments (including interest) in each of the next five years, bearing interest at CPI plus 2% (assuming an average rate of 6.5%) amortized to 2016, are as follows:

	(\$000)
1996	173
1997	185
1998	197
1999	209
2000	223

An actuarial valuation was prepared as at April 1, 1993. This valuation also indicates that the present value of the accumulated plan benefits continues to exceed the market value of the net assets available to provide these benefits. No change was made to the funding based on this valuation.

15. POOLED INVESTMENT FUND

Effective March 1, 1995, the Commission entered into a Pooled Investment Fund arrangement for the management of its investment assets and a portion of the investment assets of the Workers' Compensation Board of Prince Edward Island. The financial statements report the Commission's proportionate share of the investment assets held in the pooled fund which was 95.2% at December 31, 1995. The Commission receives a fee for the administration of the Workers' Compensation Board of Prince Edward Island's share of the fund.

NOTES TO FINANCIAL STATEMENTS

December 31, 1995

16. CONTINGENT LIABILITIES

The Commission is liable for the future costs of claims relating to certain latent occupational diseases, exposure to which may have occurred in the current year or previously, but which may not be recognized and reported for a number of years due to the extended latency period of such diseases. The Commission has undertaken to develop a policy for the administration of this area and estimate the future cost and has commissioned an external review to assist with this process. These contingent liabilities have not been recorded in the financial statements.

In 1993, the Workers' Compensation Board established a reserve to meet the future costs likely to arise from latent occupational diseases. Since then, \$2 million per year has been allocated to the Occupational Disease Reserve.

17. SIGNIFICANT EVENT

During 1994, the Department of Health and Community Services of the Province of New Brunswick advised the Workers' Compensation Board that it was removing the Hospital Corporations from the assessed pool of employers and changing their status to self-insured employers effective April 1, 1994. As part of the settlement reached during 1995, the Hospital Corporations became self-insured for all claims occurring after December 31, 1981. The estimated benefits liabilities for these claims as of the settlement date of April 1, 1995 was \$13.1 million. In exchange, the Commission agreed to a transfer of assets of \$12.0 million to the Department. The difference of \$1.1 million represents a net increase in the Commission's fund balance, and has been recorded as assessment revenue in the current year. The entitlement to benefits of Regional Hospital Corporation employees is not affected by this change in status.

The transfer of assets to the Department has not been completed at year-end. Consequently, the \$12.0 million due the Department has been recorded in accounts payable as shown in note 7 to the financial statements.

18. COMPARATIVE FIGURES

The comparative figures represent a consolidation of the accounts of the Workers' Compensation Board of the Province of New Brunswick and of the New Brunswick Occupational Health and Safety Commission. Payments between the two organizations have been eliminated, as have any balances owing between them as at December 31, 1994. The financial statements of the New Brunswick Occupational Health and Safety Commission for the period ended December 31, 1994 were audited by the Auditor General for the Province of New Brunswick.

FINANCIAL STATEMENTS
YOUTH COUNCIL OF NEW BRUNSWICK
31 MARCH 1996

Office of the Auditor General

Bureau du vérificateur général



AUDITOR'S REPORT

To the Chairperson and Members Youth Council of New Brunswick

I have audited the balance sheet of the Youth Council of New Brunswick as at 31 March 1996 and the statement of revenue, expenses and surplus for the year then ended. These financial statements are the responsibility of the Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, 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 Council as at 31 March 1996 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 5 July 1996

YOUTH COUNCIL OF NEW BRUNSWICK BALANCE SHEET 31 MARCH 1996

ASSETS	1996	1995
Current assets Cash Accounts receivable (note 3) Prepaid expenses	\$2,587 3,895 382	\$2,262 7,129 180
	\$6,864	\$9,571

LIABILITIES AND SURPLUS

Accounts payable Accrued salaries payable	\$8,305 12,644	\$4,356 3,474
Surplus (deficit)	(5,780)	7,830 1,741
	\$6,864	\$9,571

Approved by the Council	
	Chairpersor
	Member

YOUTH COUNCIL OF NEW BRUNSWICK STATEMENT OF REVENUE, EXPENSES AND SURPLUS FOR THE YEAR ENDED 31 MARCH 1996

	1996 Budget (Note 2)	1996	1995
REVENUE			
Grants			
Province of New Brunswick	\$111,200	\$111,200	\$114,100
Youth Connexions Jeunesse	-	80,536	88,346
Other (note 4)		8,400	•
Photocopier	-	95	1,719
Miscellaneous	3,000	332	1,160
	114,200	200,563	205,325
EXPENSES			
Salaries and benefits			
Administration	85,100	87,054	66,814
Youth Connexions Jeunesse (schedule A)	•	85,945	91,112
Furniture and equipment	1,875	5,491	2,830
Professional Development	650	874	636
Professional services	1,000	712	16,110
Printing and photocopying	2,000	4,051	7,712
Travel, accommodations and meals	10,000	11,800	9,458
Telephone	5,000	4,504	4,814
Office supplies	2,000	2,465	2,454
Postage	1,200	918	1,180
Public relations and advertising	500	653	697
Honoraria	2,600	2,508	2,600
Conference and meeting	100	-	83
Translation	1,000	-	1,049
Publications and subscriptions	600	574	577
Repairs and maintenance	400	267	393
Bank charges	125	237	24
Miscellaneous _	50	31	116
-	114,200	208,084	208,659
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	(7,521)	(3,334)
Surplus (deficit), beginning of year	1,741	1,741	5,075
SURPLUS (DEFICIT), end of year	\$ 1,741	\$ (5,780)	\$ 1,741

YOUTH COUNCIL OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

The Council was established by a cabinet decision in May 1986 and the appointment of the Council was announced in March 1987. The Council began operations in May 1987.

The Youth Council's mission statement reads as follows:

The Youth Council of New Brunswick is the provincial body representative of youth which voices the interests, needs, concerns and perspectives of young people aged 15 - 24, and presents recommendations to government and the public. This is achieved by acting as an advisory and advocacy body, through resource co-ordination and by research and consultation. Through its actions, the Youth Council of New Brunswick strives to be a catalyst for increasing youth involvement in society.

1. Capital assets

It is the policy of the Council to charge all capital asset purchases to expense in the period in which the expenditure is incurred.

2. Budget information

The budget information for 1996 deals only with the general operations of the Council. During the year, the Council had access to additional revenues, in the form of grants, from various provincial departments. These additional revenues were used to defray the cost of operations of Youth Connexions Jeunesse and the publishing costs of the Youth Council's Bulletin Journal. Neither the revenue nor the expenses from these activities are included in the budget information provided for general operations.

3. Employee loans

Youth Council of New Brunswick has provided interest free loans to personnel for the purchase of personal computers. Two computers were purchased at a cost of \$5,658. These loans are being repaid through payroll deductions of \$100 per month. The balance owing as at 31 March 1996 of \$3,800 has been recorded as a receivable in the financial statements.

4. Grants - Other

An amount of \$8,000 was received during the period ended 31 March 1996 to defray the cost of publishing the Youth Council's Bulletin Journal.

YOUTH COUNCIL OF NEW BRUNSWICK NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

5. Services provided by the Province of New Brunswick

The Council uses an office building owned by the Province of New Brunswick and there are no rental charges.

Youth Connexions Jeunesse operates from a location provided free of rental charges at the Regent Mall in Fredericton.

6. Comparative figures

The 1995 figures have been restated to conform with the 1996 presentation.

SCHEDULE A

YOUTH COUNCIL OF NEW BRUNSWICK SCHEDULE OF YOUTH CONNEXIONS JEUNESSE EXPENSE FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
Salaries and benefits		
Administration	\$29,586	\$39,689
Casuais	42,646	43,129
Furniture and equipment	761	533
Professional services	1,579	533
Printing and photocopying	1,256	1,607
Travel, accommodations and meals	322	238
Telephone	3,824	2,253
Office supplies	2,457	2,204
Postage	19	· -
Public relations and advertising	3,223	765
Conference and meeting	144	119
Publications and subscriptions	•	17
Repairs and maintenance	128	25
	\$85 ,9 4 5	\$91,112

FINANCIAL STATEMENTS

PUBLIC SERVICE SUPERANNUATION PLAN
31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Honourable Edmond P. Blanchard, Q.C. 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 1996 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 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 1996 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 6 December 1996

TRUST FUND NO. 4 PUBLIC SERVICE SUPERANNUATION PLAN STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 31 MARCH 1996

	1996	1995
ASSETS		
Investments		
Money market instruments	\$ 30,521,200	\$ 117,998,250
Bonds and debentures issued or guaranteed by Canada	1,366,258,110	980,936,622
Bonds and debentures issued or guaranteed	1,000,200,110	000,000,022
by New Brunswick	167,438,091	162,300,724
Bonds and debentures issued or guaranteed	, , , , , , , , , , , , , , , , , , , ,	, , , , , , , , , , , , , , , , , , , ,
by other provinces	290,403,736	336,493,268
Other bonds and debentures	13,491,247	16,101,669
Canadian common stocks	53,138,897	41,554,665
Foreign common stocks	23,586,791	24,702,522
	1,944,838,072	1,680,087,720
Receivables		
Employee contributions	1,275,825	1,463,733
Employer contributions	1,158,066	1,143,488
Accrued interest and dividends	35,472,903	36,964,947
Other .	64,328	182,261
	37,971,122	39,754,429
Cash	4,132,832	1,569,190
Total assets	1,986,942,026	1,721,411,339
LIABILITIES		
Accounts payable	909,902	520,145
Total liabilities	909,902	520,145
NET ASSETS AVAILABLE FOR BENEFITS	\$ 1,986,032,124	\$ 1,720,891,194

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

John Mallory

Deputy Mipister 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 1996

	1996	1995
INCREASE IN ASSETS		
Bank interest	\$ 95,119	\$ 98.489
Investment income	139,441,111	133,818,800
Current period increase (decrease) in market value		, ,
of investments	101,863,613	(36,347,307)
Securities lending revenue	400,000	78,092
Pension contributions		
Employee	40,734,899	40,765,092
Employer (Note 4)	71,576,453	71,746,981
Total increase in assets	354,111,195	210,160,147
DECREASE IN ASSETS		
Pensions	81,700,398	76,885,731
Refunds to employees		. 0,000,00
Contributions	3,727,160	3,716,921
Interest thereon	727,417	706,327
Transfers under reciprocal agreements	792,787	1,371,868
Administrative expenses	2,022,503	2,627,620
Total decrease in assets	88,970,265	85,308,467
INCREASE IN NET ASSETS	265,140,930	124,851,680
NET ASSETS AVAILABLE FOR BENEFITS AT		
BEGINNING OF YEAR	1,720,891,194	1,596,039,514
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$ 1,986,032,124	\$ 1,720,891,194

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 1996

1. General

The Public Service Superannuation Fund is held in trust by the New Brunswick Investment Management Corporation under the authority of the Public Service Superannuation Act. The Act provides for payment of pensions to certain government employees and to employees of certain boards, commissions, corporations and educational institutions as prescribed by regulations under the said Act.

Plan members contribute a percentage of their salaries and the employer contributes an amount which, when combined with employee contributions, covers the current service cost of the Plan. Under certain circumstances, refunds of employee contributions with interest are made, or amounts are transferred to other pension funds under reciprocal pension transfer agreements. If at any time the Fund is insufficient to make all the required payments, the deficiency will be met out of the Consolidated Fund of the Province.

2. Summary of significant accounting policies

Basis of accounting

All transactions are reported on the statement of changes in net assets available for benefits on the accrual basis.

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.

Investments

Investments in bonds, debentures and common stocks are reported on the statement of net assets available for benefits at market value. Money market instruments are reported on the statement at cost.

3. Obligation for pension benefits

An actuarial valuation of the Plan was carried out as at 1 April 1993 by Sobeco, Ernst & Young Inc., a firm of consulting actuaries. The valuation was based on the projected unit credit method and best estimate actuarial assumptions as determined by reference to expected long-term market conditions. The valuation indicated accrued pension benefits of \$1,819.2 million as at 1 April 1993.

TRUST FUND NO. 4 PUBLIC SERVICE SUPERANNUATION PLAN NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

3. Obligation for pension benefits - continued

During the 1994-95 year, the method of projecting accrued pension benefits was changed. Previously, projections were based on long-term actuarial assumptions and actual contribution levels. Beginning in 1994-95, projections were calculated by using certain actual plan experience, short-term forecasts and long-term actuarial assumptions.

Significant long-term assumptions and the range of short-term assumptions used 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% plus	2.0% to 4.0%
	promotional increase	
	between 0.20%	
	and 1.0%	
Inflation	4.0%	2.0% to 4.0%
Rate of pension escalation after retirement	3.7%	2.0% to 3.5%

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)	
	1996	1995
Actuarial present value of accrued pension benefits at beginning of year	\$2,010.93	\$ 1,974.94
Decrease due to changes in plan provisions	(10.48)	-
Decrease due to change in assumptions	-	(61.54)
Restated actuarial present value of accrued pension benefits		
at beginning of year	2,000.45	1,913.40
Interest accrued on benefits	121.08	110.60
Benefits accrued	68.96	69.61
Benefits paid	(86.95)	(82.68)
Actuarial present value of accrued pension benefits		
at end of year	\$ 2,103.54	\$ 2,010.93
Net assets available for benefits	\$1,986.03	\$ 1,720.89

The decrease in actuarial present value of accrued pension benefits due to changes in plan provisions represents the net effect of the early retirement reduction being reduced from 5% to 3% per year for early retirement before age sixty and the decrease in the maximum annual increase in pensions from 6% to 5% for all future retirees.

TRUST FUND NO. 4 PUBLIC SERVICE SUPERANNUATION PLAN NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

4. Pension contributions from employers

Pension contributions from employers are as follows:		
• •	1996	1995
Province of New Brunswick	\$ 48,727,869	\$ 49,279,398
New Brunswick Power Corporation	14,210,728	13,915,973
New Brunswick Liquor Corporation	1,064,357	1,118,448
University of New Brunswick	1,514,583	1,687,709
Workplace Health, Safety and Compensation Commission	1,031,466	920,808
Other	5,027,450	4,824,645
	\$ 71,576,453	\$ 71,746,981

FINANCIAL STATEMENTS

TEACHERS' PENSION PLAN

31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Honourable Edmond P. Blanchard, Q.C. 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 1996 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 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 1996 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 6 December 1996

TRUST FUND NO. 7 TEACHERS' PENSION PLAN STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 31 MARCH 1996

	1996	1995
ASSETS		
Investments		
Money market instruments	\$ 27,921,200	\$ 137,798,600
Bonds and debentures issued or guaranteed by Canada	1,377,698,961	978,025,237
Bonds and debentures issued or guaranteed		
by New Brunswick	147,123,715	76,339,227
Bonds and debentures issued or guaranteed		
by other provinces	280,584,227	344,935,551
Other bonds and debentures	9,470,491	65,007,808
Canadian common stocks	32,477,850	18,477,925
Foreign common stocks	7,620,826	4,605,354
	1,882,897,270	1,625,189,702
Receivables		
Employee contributions	3,029,398	3,131,807
Accrued interest and dividends	34,411,520	36,289,384
Other	33,333	<u> </u>
	37,474,251	39,421,191
Cash	197,411	78,564
Total assets	1,920,568,932	1,664,689,457
LIABILITIES		
Outstanding cheques in excess of funds on deposit	-	176,687
Accounts payable	1,123,192	764,047
Total liabilities	1,123,192	940,734
NET ASSETS AVAILABLE FOR BENEFITS	\$ 1,919,445,740	\$ 1,663,748,723

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 1996

	1996	1995
INCDEAGE IN A CORTO		
INCREASE IN ASSETS Bank interest		
	\$ 41,426	\$ 105,774
Investment income	136,609,447	129,328,092
Current period increase (decrease) in market value of investments		
	95,162,034	(38,976,052)
Securities lending revenue	400,000	51,949
Pension contributions		
Employee	29,965,837	30,977,405
Employer (Note 4)	79,094,259	82,073,548
Total increase in assets	341,273,003	203,560,716
DECREASE IN ASSETS		
Pensions Refunds to employees	82,830,932	73,604,140
Contributions	678,875	504,464
Interest thereon	157,104	159,175
Transfers under reciprocal agreements	631,016	1,937,258
Administrative expenses	1,278,059	1,456,695
Total decrease in assets	85,575,986	77,661,732
INCREASE IN NET ASSETS	255,697,017	125,898,984
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	1,663,748,723	1,537,849,739
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$ 1,919,445,740	\$ 1,663,748,723

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

TRUST FUND NO. 7 TEACHERS' PENSION PLAN NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. General

The Teachers' Pension Fund is held in trust by the New Brunswick Investment Management Corporation under the authority of the Teachers' Pension Act. The Act provides for the payment of pensions to retired teachers and refunds of employee contributions, with interest under certain circumstances. Teachers contribute a percentage of their salaries and the Province makes at least a matching contribution. If, at any time, the Fund is insufficient to make all the required payments, the deficiency will be met out of the Consolidated Fund of the Province.

2. Summary of significant accounting policies

Basis of accounting

All transactions are reported on the statement of changes in net assets available for benefits on the accrual basis.

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.

Investments

Investments in bonds, debentures and common stocks are reported on the statement of net assets available for benefits at market value. Money market instruments are reported on the statement at cost.

3. Obligation for pension benefits

An actuarial valuation of the Plan was carried out as at 1 April 1993 by Sobeco, Ernst & Young Inc., a firm of consulting actuaries. The valuation was based on the projected unit credit method and best estimate actuarial assumptions as determined by reference to expected long-term market conditions. The valuation indicated accrued pension benefits of \$1,970.14 million as at 1 April 1993.

During the 1994-95 year, the method of projecting accrued pension benefits was changed. Previously, projections were based on long-term actuarial assumptions and actual contribution levels. Beginning in 1994-95, projections were calculated by using certain actual plan experience, short-term forecasts and long-term actuarial assumptions.

TRUST FUND NO. 7 TEACHERS' PENSION PLAN NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

3. Obligation for pension benefits - continued

Significant long-term assumptions and the range of short-term assumptions used 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% plus	1.5 % to 4.0%
	promotional increase	
	between 0.25%	
	and 1.5%	
Inflation	4.0%	2.0% to 4.0%
Rate of pension escalation after retirement	3.6%	2.0% to 3.5%

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)	
	1996	1995
Actuarial present value of accrued pension benefits at beginning of year	\$ 2,117.21	\$ 2,137.50
Increase due to changes in plan provisions	20.34	-
Decrease due to change in assumptions	-	(120.38)
Restated actuarial present value of accrued pension benefits at		(12000)
beginning of year	2.137.55	2.017.12
Interest accrued on benefits	129.18	116.52
Benefits accrued	58.61	59.78
Benefits paid	(84.30)	(76.21)
Actuarial present value of accrued pension benefits at end of year	\$ 2,241.04	\$ 2,117.21
Net assets available for benefits	\$ 1,919.45	\$ 1,663.75

The increase in actuarial present value of accrued pension benefits due to changes in plan provisions represents the net effect of:

- early retirement without reduction is now allowed on the earliest of the attainment of age sixty-five, completion of thirty-five years of service, or when the combined age plus years of pensionable service totals eighty-seven or more; and
- the maximum annual increase in pensions was changed from 6.0% to 4.75% for all future retirees.

TRUST FUND NO. 7 TEACHERS' PENSION PLAN NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

4. Pension contributions from employers

Pension contributions from employers are as follows:		
	1996	1995
Province of New Brunswick	\$ 78,489,880	\$ 81,159,493
New Brunswick Teachers' Association	54,172	57,660
Association des enseignants francophones		
du Nouveau-Brunswick	16,987	20,213
Atlantic Provinces Resource Centre for		
the Hearing Handicapped	14,157	31,689
New Brunswick Teachers' Federation	11,628	17,192
Sir Frederick Fraser School	6,893	15,592
University of Moncton	6,276	6,454
University of New Brunswick	2,006	19,779
Other	492,260	745,476
	\$ 79,094,259	\$ 82,073,548

TRUST FUND NO. 8 GROUP INSURANCE TRUST FUND FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1996

TRUST FUND NO. 8 GROUP INSURANCE TRUST FUND STATEMENT OF FINANCIAL POSITION (unaudited) as at 31 March 1996

ASSETS		1996		1995
Current:				
Cash	\$	611,332	\$	202,716
Receivable from Assumption Mutual Life		,		,
Insurance Company		1,181,659		2,282,823
Accrued interest receivable		5,836		12,096
		1,798,827		2,497,635
Investments (market value \$192,385) (Note 3)		164,000		510,000
	\$	1,962,827	\$	3,007,635
LIABILITIES AND FUND EQUITY				
Deferred credits:				
Unamortized discounts	\$	1,027	\$	21,128
Fund equity	Ф	1,961,800	Ф	2,986,507
	_			
	\$	1,962,827	\$	3,007,635

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

STATEMENT OF ACTIVITY (unaudited) for the year ended 31 March 1996

	1996	1995
Fund equity at beginning of year	\$ 2,986,507	\$ 2,006,250
Add:		
Bank interest	29,719	7,744
Interest earned on investments	26,637	53,068
Net Gain on disposal of investments	17,061	·
Amortization of discounts	3,040	6,593
Group Insurance refund (deficiency)	(1,101,164)	262,852
Recovery of Health and Dental Program Expenditure		650,000
	(1,024,707)	980,257
Fund equity at end of year	\$ 1,961,800	\$ 2,986,507

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 1996

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.

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 1996 is as follows:

	Par	Net Book	Market
	Value	Value	Value
Bonds and debentures issued or guaranteed by Canada	\$150,000	\$149,364	\$177,725
	_14,000	13,609	<u>14,660</u>
	<u>\$164,000</u>	<u>\$162,973</u>	<u>\$192,385</u>

TRUST FUND NO. 9 MENTAL HEALTH TRUST FUND FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1996

TRUST FUND NO. 9 MENTAL HEALTH TRUST FUND STATEMENT OF FINANCIAL POSITION

(unaudited) as at 31 March 1996

ASSETS	1996	1995
Current: Cash	\$ 185,255 8,960	\$ 26,973 198,662 9,979
Investments (market value \$339,560) (Note 3) Deferred charges: Unamortized premiums less discounts	 194,215 328,000 305	 235,614 242,000 6,958
	\$ 522,520	\$ 484,572
FUND EQUITY		
Fund equity	\$ 522,520	\$ 484,572

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

STATEMENT OF ACTIVITY (unaudited) for the year ended 31 March 1996

		1996	1995
Fund equity at beginning of year	\$	484,572	\$ 452,564
Add:			
Bank interest		6,774	8,864
Interest earned on investments		33,097	27,369
Gain on disposal of investments		379	
		40,250	36,233
Deduct:	-		
Amortization of premiums less discounts		2,302	4,225
Fund equity at end of year	\$	522,520	\$ 484,572

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 1996

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

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 1996 is as follows:

	Par	Net Book	Market
	Value	Value	Value
Bonds and debentures issued or guaranteed by New Brunswick	<u>\$328,000</u>	<u>\$328,305</u>	<u>\$339,560</u>

FINANCIAL STATEMENTS

JUDGES' SUPERANNUATION PLAN
31 MARCH 1996

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Honourable Edmond P. Blanchard, Q.C. Minister of Finance Province of New Brunswick

I have audited the statement of net assets available for benefits of the Judges' Superannuation Plan as at 31 March 1996 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 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 1996 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 6 December 1996

TRUST FUND NO. 10 JUDGES' SUPERANNUATION PLAN STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 31 MARCH 1996

	1996	1995
ASSETS		
Investments		
Money market instruments	\$ 800,000	\$ 1,300,000
Bonds and debentures issued or guaranteed by Canada	8,152,287	4,589,691
Bonds and debentures issued or guaranteed		
by New Brunswick	537,960	582,908
Bonds and debentures issued or guaranteed		
by other provinces	839,100	1,484,387
	10,329,347	7,956,986
Accrued interest receivable	135,184	122,898
Cash	34,488	248,475
Total assets	10,499,019	8,328,359
LIABILITIES		
Refunds payable	33,864	90,942
Total liabilities	33,864	90,942
NET ASSETS AVAILABLE FOR BENEFITS	\$ 10,465,155	\$ 8,237,417

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

John Mallory

Deputy Minister of Finance

TRUST FUND NO. 10 JUDGES' SUPERANNUATION PLAN STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 MARCH 1996

	1996	1995
INCREASE IN ASSETS		
Investment income	\$ 680,373	\$ 526,402
Current period increase (decrease) in market value of investments Contributions	489,168	(66,236)
Employees	173,965	189,771
Province of New Brunswick	1,900,000	 1,900,000
Total increase in assets	 3,243,506	 2,549,937
DECREASE IN ASSETS		
Pensions	1,015,768	899,659
Refunds		90,942
Total decrease in assets	1,015,768	990,601
INCREASE IN NET ASSETS	2,227,738	1,559,336
NET ASSETS AVAILABLE FOR BENEFITS		
AT BEGINNING OF YEAR	 8,237,417	6,678,081
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$ 10,465,155	\$ 8,237,417
		

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

TRUST FUND NO. 10 JUDGES' SUPERANNUATION PLAN NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

1. General

The Judges' Superannuation Fund is established under the authority of the Provincial Court Act and held in trust by the New Brunswick Investment Management Corporation. The Act provides for the payment of pensions to Provincial Court Judges. The Judges contribute a percentage of their salary and at least a matching contribution is made by the employer. Pensions and, under certain circumstances, refunds of employee contributions are paid out of this Fund. If at any time the Fund is insufficient to make all the required payments, the deficiency will be met out of the Consolidated Fund of the Province of New Brunswick.

2. Summary of significant accounting policies

Basis of Accounting

Bank interest, interest earned on investments, employee contributions and matching employer contributions are reported on the statement of changes in net assets available for benefits on the accrual basis. Employer contributions in excess of matching are reported on a cash basis.

Investments

Investments in bonds and debentures are reported on the statement of net assets available for benefits at market value. Money market instruments are reported at cost.

3. Obligation for pension benefits

The most recent actuarial valuation of the Plan was carried out as at 31 March 1992 by William M. Mercer Limited, a firm of consulting actuaries. The valuation was based on the projected unit credit method and indicated accrued pension benefits of \$17.95 million as at 31 March 1992.

The actuarially determined present value of accrued pension benefits was extrapolated to 31 March 1996 based on the actuarial assumptions and actual contribution levels.

TRUST FUND NO. 10 JUDGES' SUPERANNUATION PLAN NOTES TO FINANCIAL STATEMENTS 31 MARCH 1996

3. Obligation for pension benefits - continued

Significant long-term assumptions used are:

	Long-term Assumptions
Rate of return on assets Annual wage and salary increase	8.16% 5.25%
Inflation Rate of pension escalation after retirement	4.5% 4.0%

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)		
Actuarial present value of accrued pension benefits	1996	1995	
at beginning of year	\$ 22.41	\$ 20.87	
Interest accrued on benefits	1.82	1.70	
Benefits accrued	0.76	0.83	
Benefits paid	(1.01)	(0.99)	
Actuarial present value of accrued pension benefits at end of year	\$ 23.98	\$ 22.41	
Net assets available for benefits	\$ 10.47	\$ 8.24	

TRUST FUND NO. 16 MARGARET R. LYNDS BEQUEST FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1996

TRUST FUND NO. 16 MARGARET R. LYNDS BEQUEST STATEMENT OF FINANCIAL POSITION (unaudited) as at 31 March 1996

ASSETS		1996	1995
Current: Cash Accrued interest receivable	\$	15,725 2,374	\$ 8,798 2,207
Investments (market value \$107,813) (Note 3) Deferred Charges: Unamortized premiums less discounts	<u></u>	18,099 100,000 3,717	11,005 107,000
	\$	121,816	\$ 5,236
FUND EQUITY			
Fund equity	\$	121,816	\$ 123,241

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

STATEMENT OF ACTIVITY (unaudited) for the year ended 31 March 1996

		1996	1995
Fund equity at beginning of year	\$	123,241	\$ 122,772
Add: Bank interest		649	361
Interest earned on investments		9,838 171	9,944 888
		10,658	11,193
Deduct:			
Payment of E. Belle Lynds Scholarships	<u></u>	11,193 890	9,621 1,103
		12,083	10,724
Fund equity at end of year	\$	121,816	\$ 123,241

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 1996

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 1996, 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 1996 is as follows:

	Par Value	Net Book Value	Market Value
Bonds and debentures issued or guaranteed by New Brunswick	\$90,000	\$93,964	\$97,058
Bonds and debentures issued or guaranteed by other Provinces	<u>10,000</u>	<u>9,752</u>	10.755
	\$100,000	<u>\$103,716</u>	\$107,813

TRUST FUND NO. 19 THE NEW BRUNSWICK POWER CORPORATION SINKING FUND FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1996

TRUST FUND NO. 19 THE NEW BRUNSWICK POWER CORPORATION SINKING FUND STATEMENT OF FINANCIAL POSITION

(unaudited) as at 31 March 1996

ASSETS	1996	1995
Current: Cash	\$ 76,430 17,368,888 6,461,708 43,571	\$ 140,679 30,300,000 10,007,163 52,049
Investments (market value \$230,342,198) (Note 2)	23,950,597 215,519,000	 40,499,891 334,799,000
	\$ 239,469,597	 375,298,891
LIABILITIES AND FUND EQUITY		
Current liabilities: Payable to NB Power Corporation	\$ 357,559	\$ -
Deferred credits: Unamortized discounts less premiums	3,731,996	3,082,703
Fund equity	 235,380,042	 372,216,188
	\$ 239,469,597	\$ 375,298,891

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 1996

	\$ 370,457,083
Fund equity at beginning of year\$ 372,216,188	370,137,003
Add:	
Bank interest	15,569
Interest earned on investments	34,704,608
Net gain on disposal of debentures	<u>.</u>
Sinking fund instalments	9,859,381
Amortization of foreign exchange gains	1,112,100
40,691,328	45,691,658
Deduct:	
Net loss on disposal of debentures	355,695
Amortization of premiums less discounts	2,023,245
Funds provided for redemption of debentures:	
6.25% 1 May 1995 (matured)	-
5.75% 15 October 1995 (matured)	-
6.0% 1 January 1996 (matured)	-
6.0% 1 March 1996 (matured)	-
8.375% 15 October 1997	-
10.0% 1 March 2000	-
11.875% 25 August 2000	-
5.5% 15 June 1994 (matured)	30,031,941
5.5% 31 December 1994 (matured)	11,521,672
177,527,474	43,932,553
Fund equity at end of year \$ 235,380,042	\$ 372,216,188

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 1996

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

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

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 1996 is as follows:

	Par Value	Carrying Value	Market Value
Bonds and debentures issued or guaranteed by Canada	122,114,000	\$ 50,293,573 120,110,300 41,383,131	\$ 54,375,893 132,481,555 43,484,750
	\$ 215,519,000	<u>\$211,787,004</u>	\$ 230,342,198

TRUST FUND NO. 20 VISCOUNT BENNETT BEQUEST

(unaudited)

FINANCIAL STATEMENTS

31 MARCH 1996

TRUST FUND NO. 20 VISCOUNT BENNETT BEQUEST STATEMENT OF FINANCIAL POSITION

(unaudited) as at 31 March 1996

ASSETS		1996	1995
Current: Cash Accrued interest receivable	\$	23,854 4,291	\$ 27,147 4,131
Investments (market value \$196,822) (Note 3) Deferred Charges:		28,145 182,000	31,278 178,000
Unamortized premiums less discounts		5,975	 7,440
LIABILITIES AND FUND EQUITY	7	216,120	\$ 216,718
Current liabilities: Unexpended trust income (Note 4)	\$	16,090	\$ 16,688
Fund equity		200,030	 200,030
	\$	216,120	\$ 216,718

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

STATEMENT OF ACTIVITY (unaudited) for the year ended 31 March 1996

	1996	1995
Fund equity at beginning of year	\$ 200,030	\$ 200,030
Add:		
Bank interest	1,366 392	1,614
Interest earned on investments	17,201	16,952
	18,959	18,566
Deduct:		
Amortization of premiums less discounts	1,057	1,268
Trust income available for expenditure	17,902	17,298
	18,959	18,566
Fund equity at end of year	\$ 200,030	\$ 200,030

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 1996

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 1996 is as follows:

	Par	Net Book	Market
	Value	Value	Value
Bonds and debentures issued or guaranteed by New Brunswick Other bonds and debentures	\$152,000	\$158,719	\$164,557
	_30,000	_29,256	32,265
	<u>\$182,000</u>	<u>\$187,975</u>	<u>\$196,822</u>

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	\$16,688
Add: Trust income for the year	17,902
	34,590
Less: Grants paid	<u>18,500</u>
Unexpended trust income at end of year	<u>\$16,090</u>

TRUST FUND NO. 23

ARTS DEVELOPMENT TRUST FUND

FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1996

TRUST FUND NO. 23 ARTS DEVELOPMENT TRUST FUND STATEMENT OF FINANCIAL POSITION (unaudited) as at 31 March 1996

ASSETS	1996	1995
Current: Cash	\$ 34,156 700,000 2,988 	\$ 64,405 595,986 889 45,645
	\$ 737,144	\$ 706,925
LIABILITIES AND FUND EQUITY Current liabilities:		
Accounts payable	\$ 42,434	\$ 160,940
Fund equity	 694,710	545,985
	\$ 737,144	\$ 706,925

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

STATEMENT OF ACTIVITY (unaudited) for the year ended 31 March 1996

	1996	1995
Fund equity at beginning of year	\$ 545,985	\$ 548,742
Add: Lottery revenues	 400,000 16,917 19,896 436,813	 400,000 31,624 6,195 437,819
Deduct: Arts development expenditures Fund equity at end of year	\$ 288,088 694,710	\$ 440,576 545,985

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 1996

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 four hundred thousand dollars, an amount sufficient to ensure that the total amount paid equals four 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 1996

TRUST FUND NO. 24 SPORT DEVELOPMENT TRUST FUND STATEMENT OF FINANCIAL POSITION

(unaudited) as at 31 March 1996

ASSETS		1996	1995
Current: Cash	\$	74,329 100,000 718	\$ 12,049 198,662 1,381
	\$	175,047	\$ 212,092
LIABILITIES AND FUND EQUITY			
Current liabilities: Accounts payable	\$	91,235	\$ 133,535
Fund equity	**	83,812	 78,557
	\$	175,047	\$ 212,092

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

STATEMENT OF ACTIVITY (unaudited) for the year ended 31 March 1996

	1996		1995
Fund equity at beginning of year	\$ 78,557	\$	70,630
Add: Lottery revenues Investment income Bank interest	 400,000 3,765 4,810 408,575		400,000 1,230 6,050 407,280
Deduct: Sport development expenditures Fund equity at end of year	 403,320 83,812	<u> </u>	399,353 78,557

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 1996

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 four hundred thousand dollars, an amount sufficient to ensure that the total amount paid equals four 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.

FINANCIAL STATEMENTS

PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS

31 DECEMBER 1995

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Honourable Edmond P. Blanchard, Q.C. Minister of Finance Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for CUPE Employees of New Brunswick Hospitals as at 31 December 1995 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 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 1995 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N.B. 6 December 1996

TRUST FUND NO. 26 PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 31 DECEMBER 1995

	1995	1994
ASSETS		
Investments		
Money market instruments	\$ 9,800,000	\$ 11,833,800
Bonds and debentures issued or guaranteed by New Brunswick	9,104,356	7,570,875
Other bonds and debentures	93,872,293	77,336,044
Convertible bonds	1,071,666	1,130,219
Canadian common stocks	74,379,892	54,774,750
Foreign common stocks	13,161,195	16,177,115
	201,389,402	168,822,803
Receivables		
Employee contributions	385,916	417,840
Accrued interest and dividends	2,359,957	1,864,133
	2,745,873	2,281,973
Cash	333,915	1,922,379
Total assets	204,469,190	173,027,155
LIABILITIES		
Accounts payable Deferred Credit	316,163	153,652
Pension education fund (Note 5)	64,722	61,839
Total liabilities	380,885	215,491
NET ASSETS AVAILABLE FOR BENEFITS	\$ 204,088,305	\$ 172,811,664

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

John Mallory

Deputy Minister of Finance

TRUST FUND NO. 26 PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
INCREASE IN ASSETS		
Investment income	\$ 11,096,896	\$ 10,363,230
Current period increase (decrease) in market value of investments	21,419,265	(11,510,768)
Pension contributions		(, , , , , , , , , , , , , , , , , , ,
Employee	4,011,495	4,035,899
Employer (Note 3)	-	2,025,681
Total increase in assets	36,527,656	4,914,042
DECREASE IN ASSETS		
Pensions	3,637,032	3,305,875
Refunds	671,539	761,429
Administrative expenses	555,678	422,258
Investment management fees	280,942	239,724
Custodial fees	80,844	58,397
Performance measurement fees	14,000	9,228
Pension Education Fund - interest earned (Note 5)	10,980	(878)
Total decrease in assets	5,251,015	4,796,033
INCREASE IN NET ASSETS	31,276,641	118,009
NET ASSETS AVAILABLE FOR BENEFITS	, == -,	7.10,000
AT BEGINNING OF YEAR	172,811,664	172,693,655
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$ 204,088,305	\$ 172,811,664

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

TRUST FUND NO. 26 PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

1. General

The Pension Plan for CUPE Employees of New Brunswick Hospitals is sponsored by the Province to provide for the payment of pensions to covered employees. The Plan is administered by the Department of Finance. Employees covered by the Plan contribute a percentage of their salaries and a contribution, the amount of which is actuarially determined, is made by the employer. Refunds of contributions, with interest, are made under certain circumstances.

2. Summary of significant accounting policies

Basis of accounting

All transactions are reported on the statement of changes in net assets available for benefits on the accrual basis.

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.

Investments

Investments in bonds, debentures and common stocks are reported on the statement of net assets available for benefits at market value. Money market instruments are reported on the statement at cost.

3. Employer contributions

The Board of Management approved by way of Board of Management Minute 94-0468 the termination of employer contributions, in accordance with section 8.02 of the Pension Plan document, effective the first pay period following 1 August 1994.

4. Obligation for pension benefits

The most recent actuarial valuation of the Plan was carried out as at 1 January 1993 by Sobeco, Ernst & Young Inc., a firm of consulting actuaries. The valuation was based on the projected unit credit method and best estimate actuarial assumptions as determined by reference to expected long-term conditions. The valuation indicated accrued pension benefits of \$116.45 million as at 1 January 1993.

TRUST FUND NO. 26 PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

4. Obligation for pension benefits - continued

During 1994, the method of projecting accrued pension benefits was changed. Previously, projections were based on long-term actuarial assumptions and actual contribution levels. Beginning in 1994, projections are calculated by using certain actual plan experience, short-term forecasts and long-term actuarial assumptions.

Significant long-term assumptions and the range of short-term assumptions used 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	4.0%	2.0% to 3.5%
Rate of pension escalation after retirement	2.0%	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)		
Actuarial present value of accrued pension benefits	1995	1994	
at beginning of year	\$ 119.77	\$ 139.37	
Increase due to changes in plan provisions	20.64	-	
Decrease due to change in assumptions	-	(19.50)	
Restated actuarial present value of accrued			
pension benefits at beginning of year	140.41	119.87	
Interest accrued on benefits	8.61	(1.69)	
Benefits accrued	6.68	5.66	
Benefits paid	(4.31)	(4.07)	
Actuarial present value of accrued pension benefits at end of year	\$ 151.39	\$ 119.77	
Net assets available for benefits	\$ 204.09	\$ 172.81	

The increase in actuarial present value of accrued pension benefits due to changes in plan provisions represents the elimination of early retirement reduction for retirements between age sixty-three and sixty-five, the introduction of a bridge pension of \$10 per year of pensionable service payable from age sixty-three on an unreduced basis and an unreduced early retirement to age sixty with unreduced bridge pension for retirements between 1 April 1997 and 30 June 1999.

TRUST FUND NO. 26 PENSION PLAN FOR CUPE EMPLOYEES OF NEW BRUNSWICK HOSPITALS **NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995**

5. Pension Education Fund

Pursuant to Board of Management Minute 93-0311, assets in the amount of \$60,000 have been segregated, effective 1 January 1990, for the purpose of providing education and training on pension related matters to members of the Pension Committee. Interest on these assets accrues at the annual rate of return earned by the Pension Fund.

Changes in the balance of the Fund during the year were as follows:

	1995	1994
Pension Education Fund, beginning of year	\$ 61,839	\$ 69,437
Add: Interest earned	10,980	(878)
Less: Expenses paid	 (8,097)	(6,720)
Pension Education Fund, end of year	\$ 64,722	\$ 61,839

TRUST FUND NO. 29 ENVIRONMENTAL TRUST FUND FINANCIAL STATEMENTS

(unaudited)

31 MARCH 1996

TRUST FUND NO. 29 ENVIRONMENTAL TRUST FUND STATEMENT OF FINANCIAL POSITION (unaudited)

	•			,
as	at	31	March	1996

ASSETS	1996	1995
Current: Cash	\$ 138,432 4,800,000 793,246 1,763	\$ 93,363 3,675,247 765,691 7,751
	\$ 5,733,441	\$ 4,542,052
LIABILITIES AND FUND EQUITY		
Current liabilities: Accounts payable	\$ 4,426,260	\$ 2,195,710
Fund equity	 1,307,181	 2,346,342
	 5,733,441	\$ 4,542,052

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

STATEMENT OF ACTIVITY (unaudited) for the year ended 31 March 1996

	1996	1995
Fund equity at beginning of year	\$ 2,346,342	\$ 3,038,093
Add: Environmental fees Video gaming revenues Interest earned on investments Bank interest Expenditure recovery	4,458,576 10,000,000 348,489 48,975 14,856,040	4,451,252 10,000,000 432,633 45,851 4,191 14,933,927
Deduct: Expenditures Fund equity at end of year	15,895,201 \$ 1,307,181	15,625,678 \$ 2,346,342

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 1996

1. General

The Environmental Trust Fund is established under the authority of the Environmental Trust Fund Act. The Environmental Trust Fund Act provides that the net profits of the Lotteries Commission of New Brunswick from the lottery scheme that utilizes video gaming devices shall be paid into the Fund up to a maximum of \$10 million. 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 Boards

31 DECEMBER 1995

Office of the Auditor General Bureau du vérificateur géné



AUDITOR'S REPORT

To the Honourable Edmond P. Blanchard, Q.C. 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 Boards as at 31 December 1995 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 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 1995 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 6 December 1996

TRUST FUND NO. 30 PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 31 DECEMBER 1995

ASSETS	1995	1994
Investments		
Money market instruments	\$ 1,485,878	\$ 396,472
Bonds and debentures issued or guaranteed by Canada	6,781,601	6,031,164
Convertible bonds	145,019	228,037
Canadian common stocks	4,626,816	3,952,231
Foreign pooled equities	1,388,104	1,182,970
	14,427,418	11,790,874
Receivables		, <u>,</u>
Employee contributions	47,849	39,012
Employer contributions	45,601	39,012
Accrued interest and dividends	98,737	79,636
	192,187	157,660
Cash	109,889	143,805
Total assets	14,729,494	12,092,339
LIABILITIES		
Accounts payable	51,020	33,511
Total liabilities	51,020	33,511
NET ASSETS AVAILABLE FOR BENEFITS	\$ 14,678,474	\$ 12,058,828

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 BOARDS STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
INCREASE IN ASSETS		
Investment income		
Interest	\$ 489,168	\$ 261,236
Dividends	137,068	37,318
Current period increase (decrease) in market value of investments Pension contributions	1,544,393	(458,586)
Employee	380,690	368,091
Employer	 370,731	368,091
Total increase in assets	 2,922,050	576,150
DECREASE IN ASSETS		
Pensions	192,456	190,901
Refunds	43,117	13,219
Investment management and custodial fees	45,097	57,753
Administrative expenses	 21,734	14,772
Total decrease in assets	 302,404	276,645
INCREASE IN NET ASSETS	2,619,646	299,505
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	12,058,828	11 750 222
	 12,030,020	 11,759,323
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$ 14,678,474	\$ 12,058,828

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

TRUST FUND NO. 30
PENSION PLAN FOR MANAGEMENT EMPLOYEES
OF NEW BRUNSWICK SCHOOL BOARDS
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 1995

1. General

The Pension Plan for Management Employees of New Brunswick School Boards is sponsored by the Province to provide for the payment of pensions to covered employees. The Plan is administered by the Department of Finance. Plan members contribute a percentage of their salaries and a contribution is made by the employer. These contributions are determined by the Plan's committee based on advice of an actuary and the plan administrator. Refunds of contributions, with interest, are made under certain circumstances.

2. Summary of significant accounting policies

Basis of accounting

All transactions are reported on the statement of changes in net assets available for benefits on the accrual basis.

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.

Investments

Investments in bonds, debentures and common stocks are reported on the statement of net assets available for benefits at market value. Money market instruments are reported on the statement at cost.

3. Obligation for pension benefits

The most recent actuarial valuation of the Plan was carried out as at 1 January 1993 by Sobeco, Ernst & Young Inc., a firm of consulting actuaries. The valuation was based on the projected unit credit method and best estimate actuarial assumptions as determined by reference to expected long-term conditions. The valuation indicated accrued pension benefits of \$7.76 million as at 1 January 1993.

During 1994, the method of projecting accrued pension benefits was changed. Previously, projections were based on long-term actuarial assumptions and actual contribution levels. Beginning in 1994, projections are calculated by using certain actual plan experience, short-term forecasts and long-term actuarial assumptions.

TRUST FUND NO. 30 PENSION PLAN FOR MANAGEMENT EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

3. Obligation for pension benefits - continued

Significant long-term assumptions and the range of short-term assumptions used 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	4.0%	2.0% to 3.5%
Rate of pension escalation after retirement	2.0%	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 m	illions)
	1995	1994
Actuarial present value of accrued pension benefits at beginning of year	\$ 8.89	\$ 9.95
Decrease due to change in assumptions	-	(1.36)
Restated actuarial present value of accrued		
pension benefits at beginning of year	8.89	8.59
Interest accrued on benefits	0.55	(0.11)
Benefits accrued	0.65	0.62
Benefits paid	(0.24)	(0.21)
Actuarial present value of accrued pension benefits at end of year	\$ 9.85	\$ 8.89
Net assets available for benefits	\$ 14.68	\$ 12.06

4. Subsequent events

During 1996 the Board of Management has authorized a number of amendments to the plan which will expend an estimated 75% of the plan surplus as at 31 December 1996 leaving 25% to accrue to the Province. It was also authorized that effective 1 September 1996 all contributions to the plan will cease and those individuals still employed will commence membership in the Public Service Superannuation Plan.

FINANCIAL STATEMENTS

Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Boards

31 DECEMBER 1995

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Honourable Edmond P. Blanchard, Q.C. 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 Boards as at 31 December 1995 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 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 1995 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 6 December 1996

TRUST FUND NO. 31 PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 31 DECEMBER 1995

	1995		1994
ASSETS			
Investments			
Money market instruments	\$ 10,974,152	\$	3,652,869
Bonds and debentures issued or guaranteed by Canada	48,660,685		44,703,671
Convertible bonds	1,064,841		1,706,630
Canadian common stocks	33,128,525		28,853,818
Foreign pooled equities	 10,104,835	· · · · · · · · · · · · · · · · · · ·	8,843,185
	103,933,038		87,760,173
Receivables			
Employee contributions	207,601		165,622
Employer contributions	179,323		148,045
Accrued interest and dividends	717,200		586,450
Other	 		6,041
	 1,104,124		906,158
Cash	 112,076		529,982
Total assets	 105,149,238		89,196,313
LIABILITIES			
Accounts payable	 71,943		290,351
Total liabilities	71,943		290,351
NET ASSETS AVAILABLE FOR BENEFITS	\$ 105,077,295	\$	88,905,962

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

John Mallory

Deputy Mirrister of Finance

TRUST FUND NO. 31 PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 1995

		1995	1994
INCREASE IN ASSETS			
Investment income			
Interest	\$	3,577,999	\$ 1,966,443
Dividends		1,000,037	287,270
Current period increase (decrease) in market value of investments		11,287,646	(3,416,101)
Pension contributions			•
Employee		2,054,524	2,238,936
Employer		1,870,511	2,019,882
Total increase in assets		19,790,717	3,096,430
DECREASE IN ASSETS			
Pensions		2,912,254	2,050,699
Refunds		322,753	425,163
Investment management and custodial fees		217,589	164,122
Administrative expenses		166,788	 215,878
Total decrease in assets	_	3,619,384	2,855,862
INCREASE IN NET ASSETS		16,171,333	240,568
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR		88,905,962	88,665,394
NET ASSETS AVAILABLE FOR BENEFITS AT END OF YEAR	\$	105,077,295	\$ 88,905,962

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 BOARDS NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

1. General

The Pension Plan for General Labour, Trades and Services Employees of New Brunswick School Boards is sponsored by the Province to provide for the payment of pensions to covered employees. The Plan is administered by the Department of Finance. Employees covered by the Plan contribute a percentage of their salaries and a contribution, the amount of which is actuarially determined, is made by the employer. Refunds of contributions, with interest, are made under certain circumstances.

2. Summary of significant accounting policies

Basis of accounting

All transactions are reported on the statement of changes in net assets available for benefits on the accrual basis.

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.

Investments

Investments in bonds, debentures and common stocks are reported on the statement of net assets available for benefits at market value. Money market instruments are reported on the statement at cost.

3. Obligation for pension benefits

The most recent actuarial valuation of the Plan was carried out as at 1 January 1993 by Sobeco, Ernst & Young Inc., a firm of consulting actuaries. The valuation was based on the projected unit credit method and best estimate actuarial assumptions as determined by reference to expected long-term conditions. The valuation indicated accrued pension benefits of \$55.39 million as at 1 January 1993.

During 1994, the method of projecting accrued pension benefits was changed. Previously, projections were based on long-term actuarial assumptions and actual contribution levels. Beginning in 1994, projections are calculated by using certain actual plan experience, short-term forecasts and long-term actuarial assumptions.

TRUST FUND NO. 31 PENSION PLAN FOR GENERAL LABOUR, TRADES AND SERVICES EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

3. Obligation for pension benefits - continued

Significant long-term assumptions and the range of short-term assumptions used 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%	1.0 % to 4.0%
Inflation	4.0%	2.0% to 3.5%
Rate of pension escalation after retirement	2.0%	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 m	illions)
Actuarial present value of accrued pension benefits	1995	1994
at beginning of year Decrease due to change in assumptions	\$ 72.40 -	\$ 69.72 (10.86)
Restated actuarial present value of accrued pension benefits at beginning of year	72.40	
Interest accrued on benefits Benefits accrued	4.42	58.86 (0.77)
Benefits paid	3.73 (3.24)	3.46 (2.47)
Plan amendments Actuarial present value of general passion base fits at a 1.5		13.32
Actuarial present value of accrued pension benefits at end of year	\$ 77.31	\$ 72.40
Net assets available for benefits	\$ 105.08	\$ 88.91

FINANCIAL STATEMENTS
PENSION PLAN FOR SECRETARIAL AND
CLERICAL EMPLOYEES OF
NEW BRUNSWICK SCHOOL BOARDS

31 DECEMBER 1995

Office of the Auditor General Bureau du vérificateur général



AUDITOR'S REPORT

To the Honourable Edmond P. Blanchard, Q.C. Minister of Finance Province of New Brunswick

I have audited the statement of net assets available for benefits of the Pension Plan for Secretarial and Clerical Employees of New Brunswick School Boards as at 31 December 1995 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 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 1995 and the results of its activities for the year then ended in accordance with generally accepted accounting principles.

R. W. Black, FCA Auditor General

Fredericton, N. B. 6 December 1996

TRUST FUND NO. 32 PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS 31 DECEMBER 1995

	1995	1994
ASSETS	1333	1334
Investments		
Money market instruments	\$ 1,681,908	\$ 491,731
Bonds and debentures issued or guaranteed by Canada	7,874,904	7,036,439
Convertible bonds	166,861	254,987
Canadian common stocks	5,375,364	4,528,713
Foreign pooled equities	1,644,253	1,371,231
	16,743,290	13,683,101
Receivables		
Employee contributions	41,423	39,850
Employer contributions	37,264	37,781
Accrued interest and dividends	114,670	91,693
	193,357	169,324
Cash	172,510	216,546
Total assets	17,109,157	14,068,971
LIABILITIES		
Accounts payable	18,119	59,101
Total liabilities	18,119	59,101
NET ASSETS AVAILABLE FOR BENEFITS	\$ 17,091,038	\$ 14,009,870

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

John Mallory

Deputy Minister of Finance

TRUST FUND NO. 32 PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31 DECEMBER 1995

	1995	1994
INCREASE IN ASSETS		
Investment income		
Interest	\$ 567,720	\$ 299,890
Dividends	159,370	48,595
Current period increase (decrease) in market value of investments Pension contributions	1,815,801	(548,982)
Employee	449,980	453,466
Employer	424,276	443,341
Total increase in assets	3,417,147	696,310
DECREASE IN ASSETS		
Pensions	177,606	167,025
Refunds	58,269	25,675
Administrative expenses	51,434	68,975
Investment management and custodial fees	48,670	31,598
Total decrease in assets	335,979	293,273
INCREASE IN NET ASSETS	0.004.455	
	3,081,168	403,037
NET ASSETS AVAILABLE FOR BENEFITS AT BEGINNING OF YEAR	14,009,870	13,606,833
NET ASSETS AVAILABLE FOR BENEFITS		
AT END OF YEAR	\$ 17,091,038	\$ 14,009,870

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

TRUST FUND NO. 32 PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

1. General

The Pension Plan for Secretarial and Clerical Employees of New Brunswick School Boards is sponsored by the Province to provide for the payment of pensions to covered employees. The Plan is administered by the Department of Finance. Employees covered by the Plan contribute a percentage of their salaries and a contribution, the amount of which is actuarially determined, is made by the employer. Refunds of contributions, with interest, are made under certain circumstances.

2. Summary of significant accounting policies

Basis of accounting

All transactions are reported on the statement of changes in net assets available for benefits on the accrual basis.

Foreign currency translation

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Investments

Investments in bonds, debentures and common stocks are reported on the statement of net assets available for benefits at market value. Money market instruments are reported on the statement at cost.

3. Obligation for pension benefits

The most recent actuarial valuation of the Plan was carried out as at 1 January 1993 by Sobeco, Ernst & Young Inc., a firm of consulting actuaries. The valuation was based on the projected unit credit method and best estimate actuarial assumptions as determined by reference to expected long-term conditions. The valuation indicated accrued pension benefits of \$9.75 million as at 1 January 1993.

During 1994, the method of projecting accrued pension benefits was changed. Previously, projections were based on long-term actuarial assumptions and actual contribution levels. Beginning in 1994, projections are calculated by using certain actual plan experience, short-term forecasts and long-term actuarial assumptions.

TRUST FUND NO. 32 PENSION PLAN FOR SECRETARIAL AND CLERICAL EMPLOYEES OF NEW BRUNSWICK SCHOOL BOARDS NOTES TO FINANCIAL STATEMENTS 31 DECEMBER 1995

3. Obligation for pension benefits - continued

Significant long-term assumptions and the range of short-term assumptions used 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%	0.5 % to 4.0%
Inflation	4.0%	2.0% to 3.5%
Rate of pension escalation after retirement	2.0%	2.0%

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

	1995	1994
Actuarial present value of accrued pension benefits at beginning of year	\$10.21	\$12.41
Decrease due to change in assumptions	-	(3.10)
Restated actuarial present value of accrued pension benefits		(3.13)
at beginning of year	10.21	9.31
Interest accrued on benefits	0.64	(0.12)
Benefits accrued	0.72	0.61
Benefits paid	(0.24)	(0.19)
Plan amendments	- '	0.60
Actuarial present value of accrued pension benefits at end of year	\$11.33	\$10.21
Net assets available for benefits	\$17.09	\$14.01